dice day January

TRALIA

G KONG

**EUROPE'S BUSINESS NEWSPAPER** 

leaders

hard line

By Our Foreign Staff

on students

DENG XIAOPING, the Chinese

leader, instructed security officials to take a tougher line with demon-

strating Chinese students 10 days

ago, indicating that the hard-line conservatives in the leadership

have finally won the upper hand in arguing that liberalism has gone too far in China.

Deng's hitherto undisclosed ac-

tion emerged yesterday when a let-ter written by him on December 29 was obtained by Reuters correspon-dents in Peking. It indicates that the leadership decided events had

gone too far once the demonstra-

tions reached the capital of Peking.

note is reported as: "Your tone should be a little tougher; you should show more firmness; you

have to make clear the separation

between positive and negative; you must work on the students to un-

The note was apparently attached to a Communist Party Secretariat report on the university stu-

dent demonstrations which spread

to campuses in at least a dozen

cities. The note was clearly a wa-

tershed and appears to be the key

to the shift in official attitude as

Newspapers initially ignored the

demonstrations and then took a

autiously liberal line. But in the

last 10 days the editorial line has

hardened and the People's Daily,

hardened and the People's Daily, the official party newspaper, has progressively toughened its tone to the point where its comments that liberal influences are poisoning young people's minds, suggest that the relative intellectual and cultural

freedom of the past 15 months is

The reports of Deng's decision to

follow the line of the conservatives

will be a bitter disapointment to

Chinese students who believed he was liberal enough to be able to pro-

mote and support their cause. But

he has a history of giving ground to

conservatives once he believes he

cannot win a particular battle and

once disruption and disobedience

publicly expressed in the Chinese

ierstand them."

# Strikes in London. France are biting surge to deeper

records Rail and electricity services were LONDON stock markets urged to severely disrupted again through record on strong UK and foreign in out France, with little tangible sign

tween representatives of the driv-ers and railway management was the only hopeful sign. Page 2

## Car bomb attack

in a further effort to stop any traf-

Former Lebanese President Ca-mille Chamoun, 86, a hardline opponent of Syrian influence, escaped with minor injuries in a car bomb attack in Christian east Beirut which killed seven people.

# China confirms battle

Thina said its frontier guards were still fighting Vietnamese troops by long their common border after common barder after .... a 'a ions by Hanoi's forces. It said Vietnam had launched a dozen attacks

## SLA toll rises

:... Iwo more militiamen in the pro-Isael South Lebanon Army (SLA) vere killed in guerrilla attacks just o 13 the number to die so far this

## NC removal sought

6. 4 outh African Foreign Minister Pik lotha confirmed that Pretoria had · ressed neighbouring Mozambique expel six officials of the African · · · · · · · · · · · lational Congress.

## nquiry to call Kohi n all-party West German parlia-

## E Germany accused

ormer inmates of East German Page 27

## Antwerp shoot-out

policeman was badly injured in a hoot-out with three suspected rench urban guerrillas in the Belian city of Antwerp after following car which failed to stop at a red raffic light.

## TO REACH Macao talks

'alks are going on in Lisbon which ould delide the future of the Portuuese enclave of Macao. China has nade clear that it wants sovereign-

Y SECOND 3 before the end of the century.

he Kuwait Security Court sen-

## enced two Jordanians to death for heir role in the bombing of two Kurait seaside cafes in July 1985. Ten eople were killed.

MECT UNIX 3ritain's lost jobs The southern part of Britain has ained virtually one service industry job for every job lost in manuacturing since 1979, but the rest of he country has gained only one for

very four or five manufacturing obs lost. Page 8 DIAL TUNG TRUTT 3rawl after cricket H ANTO E STATE 'olice detained about 30 people on

harges of disorderly conduct and ssault after England cricket sup-orters fought to get on to the pitch there their team won a one-day purnament of Perth, Western Ausralia, beating Pakistan in the final.

# Wall St

stitutional buying of industrial blue chips and consumer issues. The FThit the public sector. Some 4,000 riot

police were called in to parrol rail

way tracks after striking drivers

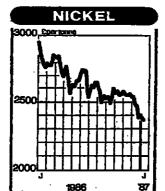
cut telephone lines and electricity

times and the FT Ordinary added

18.7 to 1,353.0. Government securities were little changed due to the absence of foreign support. Details,

> WALL STREET: Share prices con-tinued to reach record levels. The Dow Jones industrial average added a further 19.12 to a record

TOKYO: The Nikkei average plum meted after a higher start on re-newed fears of US protectionism. The average closed 94.39 down at 18,842.37. Page 34.



NICKEL prices on the London Me tals Exchange were pushed to fresh four-year lows yesterday following early selling. But prices partially re-covered on profit-taking and buying which seemed to be on behalf of producers. The cash price closed at £2,362.50 a tonne, adding £15 to Tuesday's £25 decline. Page 26

GOLD fell \$1 to \$400.75 on the London bullion market. It also fell in Zurich to \$400.75 (\$401.75). Page 26. DOLLAR closed in New York at DM entary inquiry into the Government's role in an alleged sale of 19275 (DM 1.9200); it also rose to 19275 (DM 1.9200); it also rose to 19275 (SFr 1.6205); but fell to 19275 (FFr 6.3375); but 1.9280, SFr 1.62075, FFr 6.4225 and land figures the dollar's exchange rate index rose from 107.9 to 108.02.

ails accused the Communist au- STERLING fell in London tonorities of ill treating them, three ays after Chancellor Helmut Kohl Y232.50 (Y234.25); remained unfamy was holding 2,000 political SFr 2.3850 (SFr 2.38); and to FFr risoners in jails and concentration 9.4475 (FFr 9.4325). The pound's exchange rate index fell 0.1 to 68.8. Page 27

> PEUGEOT will pay a dividend this year for the first time since 1979, Jacques Calvet, chairman of private French car group embracing the Peugeot and Citroen car marques, said. Page 15

> T. BOONE PICKENS, acquisitive Texas oilman, renewed his assault on Diamond Shamrock, Dallas integrated oil company which recently halved its dividend, by joining John Harbert, southern businessman, it an offer of \$15 a share in cash for up to 20m shares or 18 per cent of Diamond. Page 15

> CANNON GROUP, troubled US film company which is the biggest cine ma operator in Britain and one of the largest in Europe, has slashed its 1987 film production schedule and laid off an estimated 10 per cent of its US staff. Page 15

> ISTITUTO San Paolo di Torino, one of Italy's biggest banks and an original member of the consortium of seven private and state banks which took control of Banco Ambrosiano in 1962, has sold its 8.92 per cent shareholding in Nuovo Banco Ambrosiano, successor to the late

> Roberto Calvi's bank. Page 15 MICROELECTRONICS and Computer Technology Corporation, joint venture which was established in 1983 to help the US computer industry meet Japanese competition in long-term research programmes, suffered a series of blows this week ing hi-tech companies. Page 15

# Central banks mount Moscow moves DM 5bn operation to to end conflict order calm money markets

By David Marsh in Bonn and George Graham in Paris

EUROPEAN central banks sold more than DM 5hn (\$2.6bn) vesterday in an effort to dampen intense foreign exchange market specula-tion triggered by the confrontation en France and West Germany

over the current strains within the European Monetary System (EMS). The central bank support, above all for the embattled French franc, added up to one of the largest ever one day intervention operations and came as the West German Government attempted to stand firm against massive pressure for a D-Mark revaluation.

Mark revamation.

With no sign of a speedy end to the political and industrial turbulence in France which has spurred the latest disorder in the European Monetary System, the unrest is confronting West Germany with a growing problem of potentially inflationary currency inflows.

As signs multiplied of deep disagreement between the Paris and

Bonn Governments over the need for EMS realignment, West Germany is clearly coming under increased pressure to take action to stem the unrest before the country's January 25 general elections. The French franc was quoted all day at or around its lowest permitted EMS level of DM 3.3303 - the

obliged to intervene. The Bundes-bank also intervened yesterday to support the dollar, which closed in London at DM 1.9275 compared Mark revaluation within the EMS, with DM 1.92 on Tuesday.

Mr Gerhard Stoltenberg, the West German Finance Minister, in a television statement last night, sons for any EMS parity changes.
He said the D-Mark had already risen by 7 per cent over the past year against the franc, even though the statements in Bonn, currency traders in Frankfurt said the Bundes-

Yesterday's DM 5bn-plus intervention total, which was confirmed by officials, includes operations by the Bundesbank, the Bank of resistance to automatic intervention to buy up currencies, one currency dealer in Frankfurt said: "If it France and other European central banks. It presents a serious risk to weeks' time, there would be a re-the Bundesbank's attempts to con-alignment this weekend." trol German money supply growth this year after an extensive over-

which would add to competitive problems already felt by West German exporters as a result of the D-Mark's sharp rise against the dol-

inflation difference between France bank was intervening so heavily and West Germany was only 3 per that its backroom staff were barely able to keep up with the paperwork.

The Bundesbank's policy-making day that the Bundesbank, West central council will today discuss Germany's constitutionally indethe unrest. But, because of the worpendent central bank, would favour ries over the money supply, it is a speedy re-ordering of currency highly unlikely to try to stem the rates within the EMS to dampen pressure by cutting German interthe huge inflows of currencies pourest rates, a course of action urged ing into the country's money and frequently by France in recent

Pointing out the Bundesbank's resistance to automatic intervenwere not for the election in two

Analysis, Page 2; Editorial

# Banks 'may face' Latin **American loan write-offs**

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

MR JAMES BAKER, the US Trea-borrowers. They also expressed how to tackle Third World debt. It is American debtors, the first time that top US officials have raised

governments probably would not be dollar and we should not be engaging in the fiction that it is either."

The Washington Post report puzzled and surprised some experts on Third World debt. They point out that the Treasury has strongly opposed proposals which have surfaced on Capital Hill suggesting that the writing down of some

American banks may have to accept losses on loans to major Latin ers may make it more difficult to persuade banks to commit new funds.

this possibility publicly.

The comments by Treasury officials coincide with deepening conport in the Washington Post, which cern in Washington that the current said that Mr Baker felt that a small strategy for tackling Third World portion of loans to Latin American debt is again in trouble, not least because of the increasing reluctrepaid, and quoted an unnamed se- ance of commercial banks to comnior Treasury official as saying "the mit new funds to major debtors debt is not worth 100 cents on the such as Brazil, Mexico and Argenti-

The difficulties encountered in putting together the new Mexican loan package have only served to add to this concern. Brazil is expect-A key element in the existing sent \$15m in aid to Chad.

A key element in the existing sent \$15m in aid to Chad.

Paris had been expected to respond to the Libyan raid last Sunday monetary officials in Wash
Mr Baker, has been the need for day which breached the 16th paraled next week to tell its US bankers

that it too now needs new lending. Third World debt should be ex-plored as a way of improving ecoalso being seen as a strong hint to the banks that the time may be apching when they should drop their insistence on existing debts being treated as repayable in full. Treasury officials are saying that

just because an existing loan to a Third World debtor is written down this should not mean that banks need to reserve against, or write off part of any new loan to the same borrower. US bank law does not currently require a bank to take a write-off on a new loan when it has already written down the value of an existing loan to either a domestic or a foreign borrower.

ington were yesterday interpreting new loans to be made to Third the reports of the Treasury's stance World debtors by commercial banks in part as a trial balloon aimed at and multilateral lending institustimulating renewed debate about tions in order to stimulate growth.

## nomic conditions for Third World CGE, ITT launch flagship

THE NEW European telecommuni-senior partner of Lazard Freres, the chairman of CGE and the new chief cations flagship company formed
US merchant banking group.

US merchant banking group.

Alcatel's decision to appoint a way yesterday to stress the proach of the US, broadly-based supervisory board

THE NEW European telecommunications semior partner of the semior tors which reads like an interna-

equally by the ITT and CGE activi-

Among the members of the supervisory board, which will be headed by Mr Rand Araskog, the State, Count Otto Lambsdorff, a former West German Economics Minagerial presence in the joint venover a period of years as switching ister, and Mr Michel David-Weill, a ture, however, Mr Pierre Suard, technology envolved.

was formally launched yesterday and to have its headquarters in Amwith a board of new executive directions and to have its headquarters in Amwith a board of new executive directions. It is seen as a response to of the joint venture was a unique of the formally for the European telecriticism that the venture repre- opportunity for the European teletional Who's Who and the promise sents a French attempt to pre-empt of a public flotation as soon as it is a dominant position in the Euroteasible.

The joint venture, which is to be pean telecommunications business.

With 55.6 per cent of the company The joint venture, which is to be called Alcate! — a name derived directly from the telecommunications subsidiary of the state-owned Companie Générale d'Electricité — is also forecasting profits of around will have promestioned control of industrial groups."

With 55.6 per cent of the company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent of the company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's 37 per cent (other integrated market which the Company against ITI's against ITI's against ITI's against ITI's pagne tenerale of hecturate—is are credit Lyonnais of France) CGE so forecasting profits of around will have unquestioned control of \$250m this year. This represents a the new organisation, which will be return of about 2 per cent on its by far the largest telecommunicasales of \$13hn, contributed virtually tions equipment manufacturer in tions equipment manufacturer in

chairman of ITT will be Viscount tional management will be Mr PhiEtienne Davignon, the former EEC lippe Ghintz, a 48-year-old CGE manager who becomes executive ment inherited from CGE and ITT would be maintained and supported, with integration emerging only The head of its day-to-day-opera-

executive of Alcatel, went out of his way yesterday to stress the pan-Eu-

Mr Suard said that the creation communications industry.

"This agreement is the most important industrial alliance since the

Questioned on the low level of the group's profitability, Mr Suard said that Alcatel would have many op-Western Europe, and the second largest telecommunications company in the world after AT&T of the tree of the reduction of duplication in its activities.

For the foreseeable future, how-

# in Afghanistan

THE Soviet Union said yesterday gime and will not talk until all So that it was prepared to set a timetable for the withdrawal of its troops from Afghanistan as part of a political settlement to the eightear-old war to be discussed in Geneva next month.

The offer of a complete pull out of the 115,000 Soviet force in Afghanistan, together with the unilateral ceasefire declared by the Soviet-backed Government in Kabul from January 15, marks the most signifi-cant initiative by Moscow to end the conflict since the original Soviet invasion in 1979.

The Soviet communique says it apports the Afghan Government in seeking through the UN-spon-sored talks in Geneva "a political settlement around Afgh within whose framework the ques-tion will also be agreed upon of the timetable for the withdrawal of Soviet troops."

At the same time, the Soviet Union is continuing to insist that anti-Government rebels must abide by the ceasefire and reach a negotiated political settlement if Moscow is to pull out.

Guerilla leaders in Pakistan have already rejected the offer by Mr Na-jibullah, the Afghan Government leader, of a ceasefire and opposition participation in Government saying they do not recognise the Kabul reviet troops leave Afghanistan.

Thus, the problem for the Soviet Union remains the political and mil-itary weakness of the Government in Kabul which is unlikely to survive without active Soviet support. Diplomats in Moscow say there is no sign that Moscow will withdraw its forces if it believes Mr Najibullah will be replaced by a bitterly anti-Soviet regime.

The intransigence of the guerrilla leaders in Pakistan was denounced by Mr Eduard Shevardnadze, the Soviet foreign minister, who returend from a two day visit to the Afghan capital yesterday.

In an interview with the Afghan news agency, Mr Shevardnadze said: "A political settlement is not a remote prospect but a reality of today. The issue of withdrawing the Soviet troops is being considered by us and the Government of democratic Afghanistan accordingly."

The Afghan-Soviet initiative, drawn up by Mr Najibullah and Mr Mikhail Gorbachev, the Soviet leader, in Moscow last month, foresees the talks between Afghanistan and Pakistan conducted in Geneva by Mr Diego Cordovez, the UN special mediator, as the forum in which a breakthrough on Afghanistan

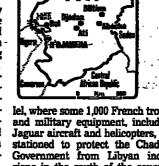
# France retaliates in Chad

By Paul Betts in Paris

bombed radar installations at the airstrip of the Libyan garrison of Ouadi-Doum in northern Chad, inretaliation for the Libyan bombing raid in southern Chad last Sunday. France has also continued to in-

crease logistical support to the Cha-dian army and has dispatched addiover, two US air force Galaxy transport aircraft flew supplies to Chad from Nantes, in north-eastern France, this week, including ammunition, desert vehicles and fuel. This has been interpreted as evi-

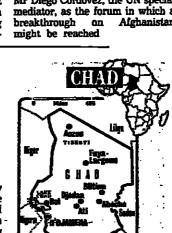
dence of Franco-American co-operation to help the central African state. A few weeks ago, Washington Paris had been expected to re-



breach of the 18th parallel. preach of the 16th parallel.

Although Libya has officially ache was also responsible for squash-

Continued on Page 14

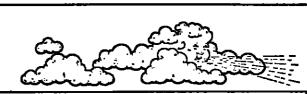


Jaguar aircraft and helicopters, are There is a close historical parallel stationed to protect the Chadian for this change of tack by Deng. In Government from Libyan incur- 1978 and 1979 he supported the sions in the south of the country. movement which became known as France has always warned that it Democracy Wall because people put would retaliate against any Libyan up wall posters demanding more

by demonstrating students became lel, where some 1,000 French troops and military equipment, including have conceded the argument.

knowledged breaching the 16th par-allel last Sunday, the French Gov-though it had gone far enough and

Continued on Page 14



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W. Germany: banks' econo- Technology: Toshiba grabs mic power under question 12 share of lap top market . . 19

Glemp hits

back over

on church

THE HEAD of Poland's Roman

THE HEAD of Foland's Roman Catholic Church, Cardinal Jozef Glemp, has accused the government of seeking to subordinate the church and has protested against a widely publicised newspaper article suggesting that clerical incomes are in-

ordinately high and should be taxed more heavily.

His accusation, made in a hard-hitting sermon delivered in

hard-hitting sermon delivered in Warsaw Cathedral on Tuesday comes just a week before an important meeting between General Wojciech Jaruzelski, the Polish party leader, and Pope John Paul in the Vatican. The Pope is expected to express disappointment at the general's failure to pursue the more liberal policies foreshadowed at their last meeting during the Pope's visit to his

shadowed at their last meeting during the Pope's visit to his native country in 1988.

Cardinal Glemp's strident tone belies the impression given over the Christmas Holiday, when the officially controlled broadcast Midnight Mass

media broadcast Midnight Mass from the Vatican, that relations

hetween church and state were

By Christopher Bobinski

attacks

This week's turmoil in the EMS has put the Federal Government in a painful dilemma, writes David Marsh

# West Germany pays the price for D-Mark policy

THIS WEEK'S wave of turest within the European Monetary System places the West German Government and the Bundes-bank, the constitutionally-independent central bank, in a painful dilemma. It is all the more acute because it is partly of the West German authorities own

The Federal Republic has had The Federal Republic has had ample warning during recent months that pressures were building up around the D-mark. For a mixture of reasons, since the summer, the Finance Ministry and the Bundesbank, in spite of a tide of critical opinion from abroad about West Germany's tight interest rate and fiscal policies, have refused to take any action to stimulate to take any action to stimulate

With the French franc now dropping to its lowest permitted point against the D-mark within the EMS, and the Paris Government openly calling on the West Germans to revalue, the hour of reckoning seems to

The result in some respects may now be similar to the accord between the US and Japan at the end of October, under which Tokyo agreed to boost its economy in exchange for an agreement keeping the yen-dollar rate stable.

But any outcome revolving around a D-mark revaluation as part of a general EMS realignment after the West German general election on January 25, followed by some kind of economic stimulus, is likely to be a great deal more messy than the Japanese-US accord. Furthermore, by being transparently forced to carry out

international credit they would have benefited from had the move been part of a general international "deal" to spur world growth.

Because it has failed to heed the warning signals of the past few months by following a cur-rency policy witheringly des-cribed two weeks ago by former Chancellor Helmut Schmidt as "benign neglect", the Govern-ment faces possibly the worst

which now looks inevitable is likely to dampen further the increasingly sluggish outlook for West German growth this year. After forecasting growth of 3 per cent both for 1986 and 1987, the Government is now having to accept that expansion last year was only about 2.5 per cent — and could be as low as 2 per cent this year.

In four out of five general elections since 1969. Bonn has revalued the D-mark shortly afterwards. But unlike previous occasions, it will reap little significant bouus for price stability through the dampening effect on import prices of a currency appreciation. currency appreciation.

With prices falling in West Germany over the past year for the first time since the 1950s, inflation could hardly be better mastered. Consumer prices in-deed are expected to resume a slight rise of 1 or 2 per cent

The open discord between Bonn and Paris over whether the flare-up is a franc or a D-mark crisis is the latest in

## **Exchange rate system proves its worth**

THE QUARREL that has broken out between France and West Germany may not be the best advertisement for the success of the European Monetary System, yet over the past four years it has been an island of comparative calm in the world's foreign exchange markets, writes George Graham in Paris.

From its creation in March 1979, the EMS exchange rate mechanism saw seven reafour years as it proved impossible to maintain the relative values of the eight full member currencies. In the next four years, however, the next rour years, however, the mechanism has been rea-ligned only once, at the re-quest of France last April with less far reaching adjust-ments in favour of the Italian lira and the Irish punt.

Charles de Gaulle's celebrated refusal in 1968 to devalue the

Jacques Chirac, the

The exchange rate mecha-

nism fixes a central rate for every currency against each other in the system—the Luxembourg franc is in fact pegged to the Belgian currency. A currency may move up to 2.25 per cent in either direction from this central rate, although the lira is allowed a wider margin of 6 per cent. When one cur-rency reaches its trigger point against another, both central banks must intervene.

When the French franc fell to its floor against the D-mark earlier this week, it forced the West German Bundesbank to add its weight to that of the Bank of France by inter-vening. In the past, however, the onus has usually been on the country with the weaker currency to alter its economic olicies and fall into line with the D-mark.

Central banks also monitor "divergence indicator."

In the meanume, it least pressures on two fronts. So revaluation is usery long as the franc and other highly unpopular.

Export oriented West German is already complaining

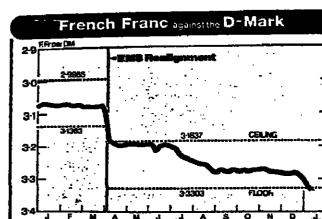
rency has moved against the Ecu, the notional currency unit made up of a basket of European currencies. If a currency moves beyond a diver-gence threshold—though not as far as its 2.25 per cent limit—its central bank is ex-pected, but not obliged, to intervene.

The system has provided a

The system has provided a considerable degree of stability in exchange rates for its member countries. Few, however, have been able to match West Germany's per-formance on inflation, and this has left other countries' experters suffering a cost dis-advantage to their West German competitors. This has German competitors. This has made it necessary to revalue the D-mark periodically in order to compensate.

This exchange rate mechanism is only part of the full EMS in which Britain and Greece both take part with-

looks likely to win—any D-mark revaluation is likely to be



out being full members Its institutions include the European Monetary Co-operation Fund, a pool made up of 20 per cent of the gold and foreign exchange reserves of member countries' central banks. When the france reached its floor yesterday, the Bank of France was auto-matically able to draw on the

fund without limit for up to 45 days to supplement its own reserves of foreign exchange. Member countries are also tary support lasting up to ine months and to medium term monetary aid. France's quota for these two forms of assistance totals Ecu 14bm (£10.2bn).

partner, that tax cuts sche

exports, allied with a general flagging of the domestic demand-boosting effect of cuts in the oil price and taxes over the past year, is the main

duled for 1988 should be brought forward to this year. Mr Stoltenberg for several months has been calling, with some justification, for the US Government to put its own house in order by cutting its

Lower growth could jeopar-dise Mr Balladur's scope for reducing the budget deficit and

as damaging the prospects for a reduction in unemployment.

good and would remain so until the Pope's next visit planned for June. He said that recent letters from the Ministry of Religious Affairs to the church were scarcely conducive to the atmosphere of goodwill needed to make that visit a success. Although he did not reveal the content of the letters, they presumably contain demands to curb the activities of "political"

served to heighten political tensions. However, he added that politics, in the strictest sense, would not be tolerated in church.

The Cardinal also criticise as half true a recent article in the weekly Polityka which estimated that parish priests earned twice as much as government ministers and that they paid only 0.5 per cent income tax rate compared to 10 per cent before the war. He pointed out that parish priests had multiple costs to bear, including parish employees

## Oil output up sharply in **Soviet Union**

OIL sovier oil production totalled some 615m tonnes in 1986, a sharp improvement over the previous year's output, according to the Oil Minister, Vasily Dinkov, Reuter reports

CZECHOSLOVAK security Only one of three of this forces temporarily detained six year's Charter 77 spokespeople, members of the Charter 77 Ms Libuse Shilhanova, was able civil rights group and previous Shilhanova, was able vented at least eight others and attend the meeting with Frague on the group's 10th minest Charter members such anniversary on Tuesday.

Only one of three of this into darkness after several of another dissident group, the men appeared who said they Jazz Section. The independent according to the Oil Minister, were from the electricity board and had wiring to do. They uncensored publications to its from Moscow.

The official news agency Tass quoted him as saying production anniversary on Tuesday.

September and seven of its but the briefing continued by September and seven of its leaders arrested and charged daily output levels thanks to a had stabilised to reach planned daily output levels thanks to a

restructuring of the troubled Communist government in 1968, and Mr Vaclav Havel, a leading playwright, were prevented from leaving their homes by plainclothes policemen.

The news conference in the many player of a decision on the property of the prope

# French Prime Minister, has already told Chancellor Helmut Rohl on several occasions in recent months of French irritation with West German policies. The Bonn Government is unlikely to be able to give its blessing to any D-mark revalutation as part of an EMS realignment until after the election. Export oriented West German in the oil price and taxes over the past two present occasions in the oil price and taxes over the past year, is the main months has been calling, with reason for the less than some justification, for the US caused by the sharp rise of the past two years—from the past two years—from policies. The Bonn Government is unlikely to be able to give its blessing to any D-mark revalutation as part of an EMS realignment until after the election—which the election. Export oriented West German in the oil price and taxes over the past year, is the main reason for the less than some justification, for the US Government to put its own bouse in order by cutting its caused by the sharp rise of the D-mark against the dollar over the past two years—from policies. The Bonn Government is unlikely to be able to give its blessing to any D-mark revalutation as part of an EMS realized complaining in the oil price and taxes over the less than some justification, for the US Government to put its own past two years—from past two open past two past tw a long line of disagreements over currency realignments which go back to President France plays for high stakes in the battle of wills with Bonn

BY GEORGE GRAHAM IN PARIS

THE STAKES are high for defend the franc's current value France in the battle of wills it within the EMS, raising interest France in the battle of wills it has begun with West Germany. Already engaged in a bitter struggle with striking public sector workers over its antiinflationary policy, Mr Jacques Chirac's government is refusing to accept a devaluation of the franc which would damage the country's inflation prospects as much as a failure to hold the ine on public sector pay.

BY DAYED HOUSEGO IN PARIS

rail and electricity services

The one hopeful pointer was reports of exploratory talks between representatives of the rail drivers and the management

of the French railways (SNCF). But both sides were anxious to maintain silence on these.

Electricity cuts were more

widespread than on Tuesday. with the Paris suburbs and the provinces worse affected than the capital. The centrist Force

Ouvrière union announced that

it would also call out its mem-bers today nothwithstanding a

small improvement in the pay offer made by the national electricity board.

Three of the unions involved

BY HUGH CARNEGY IN DUBLIN

IRELAND IS to reduce

At present, profits on shipping activities are taxed at the standard corporation tax of

50 per cent, but they will now come under the 10 per cent

level applicable to manufactur-ing industry and computer

rates sharply and spending heavily from the Bank of France's reserves of foreign exchange. By pulling out of the foreign exchange market and allowing the franc to slip to its lowest permitted EMS level Mr Edouard Balladur, the economy minister, has tried to West Germany, where he believes it belongs. "The simplest and most France has fought hard to

On the railways, some 4,000

further effort to disrupt traffic. In the southwest suburbs of

Paris drivers also damaged

The SNCF denounced what it called "sabotage" by drivers which meant that there

was no improvement in main-line services. Mr Plerre Mehaignerie, the Transport Minister, repeated that the

Government had no room to make concessions on salaries.

While at an official level attitudes by unions and government seemed to harden, union officials confirmed that behind

the scenes contacts were taking

place in an effort to find a

There will also be moves to

the intention of the package, which was welcomed by the Irish Chamber of Shipping, was to increase the number of Irish-owned and registered ships using Irish crews. He said 80 per cent of Irish exports are currently carried on

Strikes cause severe

disruption in France

throughout France continued riot police had to be called in yesterday with little tangible to patrol track after striking

sign of an end to the strikes drivers cut telephone lines and that have hit the public sector. electricity connections in a

in the dispute on the Paris urban transport network (RATP) also announced that they would continue the strike today. This followed the breakdown of a further round of the disputes could be found negotiations over pay and soon.

**Dublin to boost shipping** 

with tax cuts and grants

corporation tax on shipping to 10 per cent and introduce incentives in a bid to boost the country's small shipping industry.

Incre will also be moved to make a subject to the reduce statutory manning levels on Irish ships.

Mr Jim Mitchell, the Communications Minister, said

services.
In addition, grants will be foreign-registered ships.

available of up to 25 per cent

of the cost of true computer

The Irish-registered fleet is

avalance of up to 25 per cent
of the cost of new or secondhand ships less than five years
old and the Izdustrial Development Authority will be able to
grant aid to shipping-related
companies.

The irish-registered neet is
down to 69 ships following the
biggest Irish
operator, the state-owned Irish
Shipping Company, in 1984.
Total Irish employment in
shipping is around 3,000.

solution.

track.

problem was to let the force course would represent a tion of the D-mark or lowering for economic growth this year.

of the market have its effect damaging about-turn for a absolutely naturally and allow the French franc to move to liberalisation and to the cause its floor, he said yesterday.

If a declaration is more than the force of international monetary co- ties for corne time seeing this in 1986 had been good but that If a devaluation is ruled out operation.

The devaluation is ruled out of the devaluation is ruled out of

Berlusconi

TV station

THE ITALIAN private tele-vision entrepreneur, Mr Silvio Berlusconi, whose stations have overtaken the state RAI

networks in terms of audience

and advertising, is expected to sell Rete Quattro (Network 4).

This is one of the three

in Italy, where legislation allows him to own no more

allows him to own no more than two. An announcement is likely in the next few days that he will sell Rete Quattro to Mr Calisto Tanzi, the Farma-based dairy goods manufacturer who also created to the small Italian private net-

The price is not known, but

The three Berlusconi networks, Canale 5, Italia Uno and Rete Quattro, last year had total advertising revenue of Li.150bn (£581m) which is more than the combined total of the three state television networks.

networks.

Mr Berlusconi is generally portrayed here as being a close friend of Mr Bettino Craxi, the Socialist Prime Minister. Mr Tami, by contrast, is seen as a close friend of Mr Ciriaco de Mita, leader of the Christian Democrat Party.

Aid for Renault and

French steel industry

Renault, the French state-

menaut, the French state-owned car group, will receive FFr 2bn (£212m) in govern-ment aid, and the steel in-dustry FFr 5bn, the Budget Ministry said yesterday, The extra funds will come from France's 1986 budget, since the European Commis-sion has vetoed any state aid to the steel sector from

to the steel sector from January 1.

may sell

on Czechoslovaks to be aware of their constitutional rights

and demanded an end to the privileges of Communist Party

officials and appealed religious freedom.

effective way of resolving the the EMS altogether. Either between accepting a revalua-problem was to let the force course would represent a tion of the D-mark or lowering of the market have its effect damaging about-turn for a their interest rates," said a absolutely naturally and allow Government committed both to Finance Ministry official.

in 1986 had been good but that
1987 would be difficult. The
international economic environment would be weaker than because of its effect on inflation policy, so too are two other options which have been canvassed: returning to the system of exchange controls which Mr of the D-mark, not the weakness dismantling, or leaving the exchange rate mechanism of responsibilities and choose slightly.

Instead, France wants West as essential if it is to be able to reduce its own very high to reduce its own very high international economic environment would be weaker than contributed — a little, according to the French Government, or a lot, according to the West full margin of manoeuvre," to accelerate growth.

Proved by the current turmoil in the public sector, which has contributed — a little, according to the French Government, and Japan "are not using their full margin of manoeuvre," to accelerate growth.

Czech police detain Charter 77 activists

anniversary on Tuesday.

At a news conference in a Foreign Minister of the reform harrassment of Charter 77 memprivate flat Charter 77 cailed Communist government in 1968, bers last year in an apparent

Prague on the group's 10th minent Charter members such candlelight.

leaders arrested and charged anniversary on Tuesday.

leaders arrested and charged its with illegal business activities. Two men were freed last

Repercussions of the Flick scandal have been surprisingly slight, David Marsh reports

# Political parties turn to Bonn for a handout

The price is not known, but it is understood that the do I will see Mr Berlusconi's Fininvest group retaining control of both advertising and programming for the network. This has caused some surprise in Italy where the sale is seen as satisfying the letter of the law, but perhaps not its spirit. The three Berluscani net-

ease the parties' financial straits.

Part of the cash has already been paid out to help defray campaign costs. But the exact sum due to each party will be allocated in the three weeks following the poll on the basis of the percentage of the vote they succeed in attracting—giving a new twist to the campaign slogan adopted in various ways by the main parties that Leistung muss sich lohnen (performance must be rewarded).

Increased state contributions for the country's political for the country's political groups represent the most obvious, and somewhat ironic, consequence of the scandal of

the last five years over the fund-ing of West German parties, hing on revelations of clandestine political financing by the Flick industrial group. For an episode which has been labelled the Federal Republic's most serious political scandal, the political fall-out of the Flick effect after proper of the Flick affair, after years of twists and turns, has turned out to be astonishingly slight.

This is underlined by the SPD rising fortunes of one of the FDP

rising fortunes of one of the main political casualties of the affair, Count Otto Lambsdorff, the former Economics Minister. He is still on trial in Bonn in he is suil on trial in Bonn in a 17-month-long court case on charges of evading taxes over contributions made by Flick to his Free Democratic Party (FDP). The FDP is the junior partner in the present centre-right Bonn coalition with Chancellor Helmut Kohl's Christian Democratic Union (CDU) and the Christian Social Union

WEST GERMANY'S political and 1981 were dropped in July parties contesting this month's last year. Two and a half years general election are fighting not after resigning in ignominy in just for votes but for a share of 1983 after six years as Ecoa bumper DM 225m (£80m)
jackpot in state handouts.

Political funding rules agreed in 1983 call on the taxpayer to ease the parties' financial straits.

1983 after six years as Economics Minister, the Count consummated his return last month from political no man's land with a large party to celebrate his 60th birthday.

should the coalition, as generally expected, remain in power after January 25.

All the parties, especially the Count's own small FDP, which has traditionally been most reliant on large business donations, are trying to improve their finances by increasing smaller-scale contributions from party members and other indiparty members and other indi-



amplified by a decision of the German constitutional court last summer, donors are allowed full vidual sympathisers.

The unravelling of a web of intrigue linking the parties financially to big business over the past two decades has forced of the past few years, are provthe past two decades has forced of the past few years, are prov-them to cut their reliance on the ing reluctant to dig into their private sector cash which flowed all too liberally during the present election campaign, 1970s. Much of it came through illicit channels under which contrast with Bonn's philosophy

DONATIONS TO WEST GERMAN PARTIES 1980 1981 1982 1983 1984 1985

27.9 8.2 10,5

donors hoped both to evade tax of the free market—and also and to win political contacts and influence.

Instead, as part of a package of decisions in November 1983 (carefully backdated to take in the November 1983 (carefully backdated to take in

transfers from foreign bank cecunis.

The Flick group was sold to the Deutsche Bank at the end of 1985 and then floated on the stock market (at a handsome profit to Deutsche) partly because its owner, Mr Friedrich Karl Flick, was sick of the opproblum surroundings reve-lations from 1981-82 onwards of his company's dealings.

Deutsche Bank, one of the biggest declared donors in the country with DM29m donated for "political" purposes over the past quarter of a century, has thus finished up—as usual—on the winning side. on the winning side.

on the winning side.

The Flick group's own illicit payments of at least DM 25m between 1969 and 1980 to political parties, led by the CDU and FDP but including the now-Opposition Social Democratic Party (SPD), were revealed as a by-product of a separate investigation into tax evasion. The contributions were detailed in pencilled records, maintained with Dickensian punctiliousness by the company's chief book-keeper and impounded by judicial investigators.

But this was only the times

But this was only the tip of ERMAN PARTIES

1982 1983 1984 1985

41.7 57 34.3 31.8 hut implausibly named the implausible named the implausibly named the implausibly named the implausi DM 200m to the main parties, above all the conservatives, from the 1950s onwards.

The Flick affair has occupied miles of column inches in the West German press, above all the magazine Der Spiegel, led to tortuous court and parlia-

which Mr Kohl alleged was politically motivated — was dropped last May — and since then the scandal has gone cold. In the run-up to the election, the affair now is hardly mentioned in the scandal has bardly mentioned in the scandal hardly mentioned ha

tioned in the press.

Count Lambsdorff's com-Count Lambsdorff's com-panions in the long-running Bonn court case—once dubbed by the newspapers as the "trial of the century" but now out of the headlines—are another former FDP Economics Minister, Mr Hans Friederichs (also formerly the chairman of the Dresdner Rank) and Mr

(also formerly the chairman of the Dresdner Bank), and Mr Eberhard von Brauchitsch, a former top Flick boss who was forced to resign as president-elect of the West German Industry Confederation.

After a trial which has cost an estimated DM 5m to DM 5m and generated 60,000 pages in documents, the verdicts on charges of tax evasion are due to be pronounced on February 16.

The date could mark a rise from the political ashes for the Count and, for the mouldering remains of the Flick affair, final consignment to an unmanufact orays mourned grave.

PINANCIAL TIMES

# Early Rhine recovery predicted

BY JOHN WICKS IN ZURICH

THE RHINE, which was seriously polluted above Basic last November by pesticides from a fire at a plant owned by Sandoz, the Swiss chemicals giant, could start to recover as early as this spring.

A report prepared for the Direct Police of the Sish were killed and nearly all power station almost all the bacteriological self-purification properties of the river have re early as this spring.

A report prepared for the fish were killed and nearly all Rural Basle canton by the Swiss Federal Institute for Water Supnot yet known what effect the

properties of the river have re mained intact.

democracy would best be served to tortuous court and parlia-independently rather than from claimed some notable victims. the March 1983 general elec-tions) to put party financing on a more solid footing, the parties have turned to the state.

But West Germany has come the state.

But West Germany has come when Mr Kohl himself faced an investigation from the cellor Helmut Kohl's Christian
Democratic Union (CDU) and
the Christian Social Union
(CSU).

But the much more serious
Charge of taking bribes in connection with tax concessions
awarded to Flick between 1976

have turned to the state.

But West Germany has come collectively to the conclusion that increased party reliance on the public purse is a lesser evil than progressive entanglement with industry and banking limited to a partice of taking bribes in connection with tax concessions awarded to Flick between 1976

But West Germany has come collectively to the conclusion that increased party reliance on the public purse is a lesser evil than progressive entanglement with industry and banking limit as if the affair, it appeared briefly as if the scandal might even force the Chancellor's resigna-

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## Glemp Black back over students in attacks on churd mass return

aday Januay 1;

THE FIRST day of the South African school year was marked by a mass return to school by millions of black students who The second secon black community leaders to land for a living which thus far has resume studies widely interrupted by two years of student and reasonably stable society.

to schools

The return to school can by the national Education Crisis and the national Education Crisis and the religious community associations religious community associations reflects the outcome of an interior the national Education Crisis and the religious community associations reflects the outcome of an interior the national Education Crisis and the return to school can by the national Education Crisis and secretary that are secretary for the national Education Crisis and the nation The state of the s

The argument has noming to that blacks, while continuing to press for radical changes in the press for radical changes in the curriculum, democratic repre-sentation bodies and a unified system of education for all races, must educate themselves in order to play their full role in

> In the light of this new detertion work, black educationalists, teachers and students were angered when three prominent NECC leaders were detained and new restrictctions were imposed at the end of the year in the tions. These were aimed principally at banning all attempts to organise what is known as " alternative education."

This rejects, for example, the white bias in history and other textbooks, and seeks to provide black students with an education which revalues black history and the struggle for emancipation.

An additional 1.8m black students are expected to enroll this year for the first time, 70,000 more than in 1986, a year marked by widespread school boycotts and the closure of 73 affected schools by the Department of Education and Training. The Government has sharply increased spending on black education and has pledged to equalise educational opportunities over the course of a decade, but still remains committed to racially segregated primary and secondary state education.

since Chinese troops surged into that country in 1979 to "teach it a lesson" after Vietnam the occupying Vietnamese.

This country in 1979 to "teach it a lesson" after Vietnam the occupying Vietnamese.

This country in 1979 to "teach it a lesson" after Vietnam the occupying Vietnamese.

The chinese Foreign Ministry spokesman said yesterday the casualty claim was "sheer boasting"

The official Vietnamese news are also closely monitoring the attacked the northern province of Ha Tuyen on Monday.

The Chinese Foreign Ministry said: "While we are also closely monitoring the attacked the northern province of Ha Tuyen on Monday.

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The Chinese Foreign Ministry said: "While we are also closely monitoring the left Kampuchea."

Kampuchea, where China backs the resistance coalition fighting the occupying Vietnamese.

In recent months, the Vietnamese ampere with China, but Zhao Ziyang, the Chinese premier, said a few weeks ago that friendship was impossible until the Vietnamese left Kampuchea.

Kampuchea, where Chinase Foreign with China, but Zhao Ziyang, the Chinese premier, said a few weeks ago that friendship was impossible until the Vietnamese left Kampuchea.

The Chinese Foreign Ministry said: "While we are conducting counterattacks, we impossible until the Vietnamese left Kampuchea.

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The Chinese Foreign Ministry said: "While we are conducting counterattacks, we impossible until the Chinese left Kampuchea.

The Chinese Foreign Ministry said: "While we are conducting counterattacks, we impossible until the It has given the green light, however, for a rapid expansion in racially integrated private chools, although these have become a target of black radicals, who insist that middle class black parents should send their children to state schools and not opt out of the struggle

for higher standards.

Meanwhile, widespread violence has broken out in the Eastern Cape township of There was fierce flighting between conservative vigilantes and radical supporters of and radical supporters of the United Democratic Front (UDF) organisations, similar to the clashes which led to the clashes which led to the clashes which led to the control destruction of the New Crossroads squatter camp near Cape

Town last May. Local police, who described the violence as "not unrest-related," said that two people were killed and seven injured, while furniture and other property was burnt after a crowd of 1,500 paraded through the township attacking "radi-

Later the two groups fought a pitched battle in the streets.

Four hours after the violence began police intervened and warned the groups that they were breaking the law.

Residents' accounts of the fighting indicate that the death toll was higher than the official figure and that police failed to protect the victims of vigilante violence. Over the past six months the population of Kwanobuhle has been swollen by the arrival of an estimated 20,000 people from the nearby township of Langa, where 21 blacks were shot dead by police in March 1985. in March 1985.

Langa has been demolished and its inhabitants removed to and its initialization removed to a tent city on the outskirts of Kwanobuhle, one of a series of forced removals affecting over 80,000 people over the past six

## Tamil workers killed in plantation clash

THREE TAMIL plantation workers were killed and ten injured when violence erupted in a tea estate in Sri Lanka's central highlands. The army was called out to help the police who said that they were attacked by a "mob" of 7,000 Tamil tea pluckers.

A dispute between rival trade unions was the main reason for the sudden outbreak of violence, and not ethnic tensions, police said.

The Government, however, has serious cause for worry.
Northern Tamil separatist
groups have been fairly successful recently in infiltrating the tes estates, where the workers are Indian Tamils granted Sri

Lankan citizenship. Tea is Sri Lanka's chief export crop, and any alliance between the two Tamil communities could be disastrous, politically and economically, for the gov-

# **OVERSEAS NEWS**

Peter Ungphakorn examines a growing dilemma for the Bangkok Government

# Thailand tackles farm-dependent economy

THAILAND is the latest in a long list of nations forced by the economies of today's world to try to reduce the emphasis of agriculture in encourage farmers to become more sought for maintaining growth at 5 that the magnetic farmers to become more sought for maintaining growth at 5 that the magnetic farmers to become more sought for maintaining growth at 5 that the magnetic farmers to become more sought for maintaining growth at 5 that the magnetic farmers to become more sought for maintaining growth at 5 that of agriculture. Tourism, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replace among the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replace among the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replace among the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replace among the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replace among the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replaced to the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replaced to the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replaced to the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replaced to the siderable increase in private sector likes of South Korea, Hong Kong, which could earn the country Baht 37.4bm (\$1.44bm) this year, has replaced to the siderable increase in private sector likes of the economy.

This is an exceptionally tricky transition for a country like Thaimillions of black students who heeded calls by a wide range of black community leaders to resume studies widely inter-

> However, after centuries as an essentially rural and agricultural society, Thailand is moving quietly away from farming in search of the

> Rice, once the country's principal foreign exchange earner, has been replaced by tourism. As agricultural recession starts to bite in the world's largest rice and tapioca ex-porting nation, sectors such as the labour-intensive manufacturing industries begin to play a stronger role in bolstering the economy through export earnings.

Falling returns have nudged more farmers out of the countrya future non-racial South Africa. side and into the more prosper urban areas in search of world. Some have even gone abroad.

Yet this transition remains too politically delicate for it to be announced as an official and desirable economic objective. The largely civilian Government of Gen Prem Tinasulanonda has come under pressure to subsidise falling farm

Peking claiming that its troops counterattacked after Vietna-

However, some rifts are beginning to appear among the Thai leadership ranks. While these are likely to preoccupy the politicians it is possible that political differences could result in the complaints of the rural community getting more at-tention from all sides.

In his seven years as Prime Min-ister, Gen Prem has survived two coup attempts and two general elec-tions, and warded off several politi-cal rivals. Thailand's constitution has allowed him to remain in office without standing for election. For a few months after the general elec-tion last July, his position seemed stable despite squabbling within and between the elected parties in the coalition.

Recently, rifts have been reported, but officially denied, within his own powerful group of military and civilian appointees. But in the past, jostling for power has had little effect on the economy's momentum from longer term planning.

In 1986, GDP growth was between 4.2 and 4.5 per cent, with over 5 per cent expected in 1987. The current account is probably now in surits sixth five year development ning economy in Southeast Asia, value of manufacturing output over-

Peking derides Hanoi's claim

CHINESE and Vietnamese troops" by about regime led by the brutal Pol troops have clashed in recent days, with Hanoj claiming that attacking Chinese forces suffered 500 casualties, and Diplomats here say the regime led by the brutal Pol Pot.

China has warned that it will teach Vietnam a "second lesson." But the "first lesson." But the "first lesson."

Diplomats here say the border clash, one in a series of such incidents since the two

of success in border clashes

with the most significant since Chinese troops surged into that country in 1979 to "teach the significant countries feeling since the two countries feeling since the two countries feeling since the two countries feel out in the late countries feeling since the two countries feel out in the late countries feel out in the late

guards. The so-camed victories declared by Vietnam the Soviet Union is the out over are sheer boasting. The reports hegemonist."

The neighbours fell out over the control of the control of the neighbours fell out over the neighbours fell out over the control of the neighbours fell out over the

age over the previous five years importance of agriculture.

was 4.9 per cent, with about 6 per cent achieved in 1983 and 1984. Under the Fourth Plan (1977-81) the average was 7.1 per cent.

The World Bank ranks Thailand above Indonesia and the Philippines but below Malaysia in the lower middle income bracket with a

room for the Government to play a neighbours, both this year, and pos-large role in the economy, despite sibly the next.

The position has helped Thailand ed oil prices and interest rates.

other fifth of the budget given to the military, leave it with little room for manoeuvre. Hence the emphasis on the private sector filling the gaps, including talk of privatising a number of loss-making state enterprises.

For the Skth-Plan, private investment is targeted to accelerate for importers.

vestment is targeted to accelerate from an average growth rate of 0.6 per cent under the previous plan to 8.1 per cent. That would give the

eral of the planning agency, recent-ly told the Council of Foreign Rela-tions in New York that he consid-For much o plus for the first time in decades. tions in New York that he consid-Thailand has just embarked on ered Thailand to be the front run-has been worse. Two years ago, the

in 1979 was poorly executed and an embarrassment for the

Chinese, who withdrew after less than a month with higher than expected losses. Since then, the two countries have

clashed regularly along their 1,100 km border.

Soviet Union to encourage Viet-

nam to leave Kampuchea, and Deng Xiaoping, the Chinese leader, last year offered to meet

Mr Mikhail Gorbachev, the Soviet leader, if Moscow with-

drew its support for the Viet-namese occupation.

competitive in international mar- per cent per year or more. The aver- to reduce the economic and labour

The country's planners see little growth rate that is better than its

The position has helped Thailand ed oil prices and interest rates.

Revenue limitations, debt servi

The smaller volume of textile and cing commitments totalling a quargarment exports, for example, has ter of the budget for fiscal 1987, and allowed it to slip these into US mar-Government reluctance to touch an-kets where stiffer barriers are im-

But Dr Snoh is under no illusions

about the problems facing agricul-ture and rural Thailand. For the private sector a 70 per cent share of Sixth Plan, his National Economic total investment, although some and Social Development Board economists doubt whether the tar- could only hope for agricultural proget can be reached.

Dr Snoh Unakul, secretary-general of the planning agency, recentthirds of the rate for the economy

For much of the sector, growth

eign exchange earner.

Much of the government's effort

is directed towards the urban sec tor. Policies include:

 More foreign investment and gradually making conditions more favourable, particularly by cutting red tape. Foreign participation in the Securities Exchange of Thai land is also being encouraged as part of an effort to direct more funds towards equity investment so far with mixed results. Financial restructuring aimed at mobilising more savings and reducing the pro portion of investment through borrowing is one of the aims of the new development plan.

Tax reform, which presents a di

lemma. The Government desperate ly needs to raise more revenue, have targets over the past few years. But it also needs to reform the tax incentives to economic activity That means reducing revenue a hoped-for incentive of a broader based and fairer system encourage

people to pay more tax.

Providing jobs for an estimated 3.9m entrants to the labour force in on developing small scale industry, particularly in rural areas, again depending on private sector partici-

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DIVAN-HILTON-SHERATON

## **Hong Kong** hits at UK on refugees

By David Dodwell in Hong Kong POLITICAL leaders in Hong Kong yesterday flereely criti-cised the British Government for its failure to take a lead in relieving the problem of Vietnamese refugees in the territory.

They complained that Hong Kong had been penalised and exploited because of its de-

exploited because of its de-cision to abide by commit-ments to provide first asylum to boat refugees.

They gave the colonial ad-ministration six months to obtain from the British Gov-ernment commitments that would solve the refugee prob-lem, after which a much harder line be considered on whether sanctuary should be

At the year's first meeting of the Legislative Council, Hong Kong's foremost law-making body, political leaders condemned Britain for failing Hong Kong on the resettle-ment of refugees. Britain has taken just over 1,000 refugees over the past five years, com-

pared with more than 8,000 going to the US, 5,000 to Canada and 3,000 to Australia.

A promise to absorb a A promise to absorb a further 500 refugees expired at the end of 1986, and the British Government has made no further commitments for this year. Other recipient countries have in recent months trimmed back resettlement programmes, insisting that Britain was obliged to take a lead.

## S. Korea party chief offers to go

SOUTH KOREAN opposition resign yesterday hours after being accused by leading dis-sidents Kim Dae-jung and Kim Young-sam of lack of leader-ship, a spokesman said, Reuter reports from Seoul.

Hong Sa-dok, spokesman for the New Korea Democratic Party (NKDP), quoted Lee as saying he could not continue as party president with the two dissident leaders accusing him of not waging an effective fight for democracy.

Lee's offer has yet to be discussed by party executives. There was no immediate com-ment from either of the two Kims. who control the main opposition party behind the scenes and head a major dissident group, the Council for Promotion of Democracy.

The Kims told reporters earlier that Lee had committed gesting the opposition could accept a government proposal for a cabinet responsibility system instead of direct presi dential elections.

It was the first time they had criticised the NKDP chief in oublic.

Lee suggested last month that the NKDP could consider the proposal by the ruling Demo-cratic Justice Party (DJP) if the Government granted more the Government granted more liberties, including fair elec-tions, a free press, provincial autonomy and the release of jailed dissidents.



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SMALL BUSINESSES The Financial Times proposes to publish a Survey on the above on Monday March 2 1987 For further details, please contact: ANDREW WOOD on 01-248 5116 FINANCIAL TREES Europe's Business Newspaper The content, size and sublication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

TALKS in Lisbon this week over the fate of Macao, the tiny Portuguese enclave on China's of the background southern coast, are expected to set the scene for the next and rost difficult round of Sino-Portuguese negotiations in the future of

are designed to deceive the Vietnamese people and world

In the first casualty figures

given by China, the afficial New China News Agency said border guards had "wiped out 200

Peking.
On the agenda are the terms of — and the timetable for — a transefer to Chinese sovereignty, and there are signs of increasing acrimony in spite of early predictions that the talks would be simple and ami-

t is an irony that in 1975, when Lisbon relinquished sovereignty over Macao, and offered to return the territory to China, leaders in Peking refused. Today, two years after the Sino-British agreement on Hong Kong's future set the year 1997, for the transfer from British to Chinese sovereignty, Peking is pressing for the

Peking is pressing for the speedy return of Macao.

It is the turn of Lisbon to drag its feet. Over the past year of negotiations on the future of Macao, Peking has made it clear it wants sovereignty be-fore the end of the century. Lisbon, more it seems for reasons of dignity than practical need, wants more time. The dates 2015 and 2020 have been men-

As Dr Joaquim Pinto Machado, Macao's Governor, this week meets in Lisbon with President Mario Soares to dis-

the Macao enclave

Vietnam's increasingly cosy re-lationship with Moscow and,

more importantly, the Vict-namese invasion of Kampuchea in late 1978 that toppled the Peking-backed Khmer Rouge

Tough test of Portugal's mettle

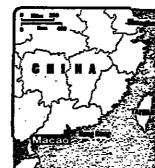
with Peking, so a second issue seems to be a focus of dispute —Portugal's desire for Macao people to be entitled to dual

nationality after the transfer of As Hong Kong residents will recall, Peking flatly rejected any suggestion that they could be anything other than Chinese citizens, and the same fate appears to face the residents of Warso 97 per cent of whom are Macao, 97 per cent of whom are ethnically Chinese. Lisbon has in the past offered full Portu-guese nationality to Macao

citizens if they request it. This contrasts sharply with the policy of Britain, where careful measures have been taken to ensure that Hong Kong residents carrying a British passport have no right to live in the UK. to live in the UK.

Chinese and Portuguese officials glibly predicted a year ago that the transfer of power

would be straightforward, based on the model of the Sino-British agreement on Hong Kong. Recent developments are prov-ing them wrong, and it is almost negotiators should take in talks certain that further serious Portugal's mettle.



differences have yet to emerge.

Macao's legal system, for example, is based on Portugal's, Hong Kong — are equally invidious.

Cynical observers claim talks on Macao's future will be brief because the territory is so marginal to Portugese politics that there is no will to fight hard to preserve the rights of its 350,000 residents. The talks in Lisbon this week—and the next round of negotiations in Peking
— will doubtless be a test of

# example, is based on Portugal's, and is manned entirely by lawyers and judges from Portugal. The case for preserving the existing legal system—so fiercely fought over in Hong Kong—is much less convincing in Macao. But the alternatives—applying China's legal system, or the British-based system which is to be preserved in Hong Kong—are equally

# Lebanese politician escapes blast

former president of Lebanon and most prominent of the country's Christian leaders, escaped an assassination attempt yesterday when his motorcade drove by a booby-trapped car packed with explosives.

Six people were killed, including three of his body guards and 40 others were wounded in the blast. Mr Chamoun, who was driving his bullet-proof grey Mercedes, had minor injuries in his right arm but left the Hotel Dieu Hospital

MR CAMILLE CHAMOUN, the after two hours, limping slightly but alert and calm. Recently he had endorsed a planned between summit meeting President Amin Gemayel of the Lebanon and Mr Hafez al Assad, his Syrian counterpart, provided that it did not infringe on Lebanese

sovereignty. Traditionally, though, the 86-year-old Mr Chamoun, a shrewd and withy politician, has been one of the foremost opponents of Syrian tutelage.

claims of responsibility for the latest attempt on his life. It occurred as Mr Chamoun, Minister of Finance in the present government, drove to a meeting with leaders of the Lebanese Front, the Christian political coalition.

There have been at least three revious attempts to assassinate Mr Chamoun. In November 1985 a suicide bomber rammed a truck onto the fortified headquarters of the Lebanese Front. Mr Chamoun served as president from 1952 to 1958

Landesbank

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December, 1986

# Reagan officials hit back over Iran scandal

BY LIONEL BARBER IN WASHINGTON

frustrated at Congress's refusal almost certainly not be able to to publish a pretiminary inquiry return to his job or resume congressively leaking parts of the report favourable to President Reagan.

White House officials have also suggested privately that Lt Col Oliver North, the aide at the centre of the scandal, lied in his written account of the operation to sell arms secretly to Iran.

The White House offensive comes as Congress row under at the centre of the scandal, lied in his written account of the operation to sell arms secretly to Iran.

The White House offensive comes as Congress, now under full Democrat control, is about a runs shipment to Iran via to large the respect to the control of the control of

to launch two separate select committee inquiries into the affair and NBC and the Wall affair and NBC and the Wall
Street Journal published a
joint poll showing little
improvement in Mr Reagan's
approval rating over the past
month.

The Democrats this week
resisted publishing a report by
the outgoing Republicancontrolled senate intelligence
committee on the grounds that
it was incomplete, misleading

it was incomplete, misleading and could prejudice the work ancies and unresolved mysteries about the scandal such as how much money if an analysis was preparing formally to establish its own 15-member bipartisan committee.

President Resument about the scandal such as how much money, if any, was diverted from the arms sales to the Nicaraguan Contra rebels and who, apart from Lt Col soe if there was any recurrence North, knew about the operation.

Output

Diparusan committee.

President Reagan, meanwhile, received a clean bill of health from his doctors following prostate surgery and checks to see if there was any recurrence of colon cancer. He could leave thospital as early see today of the could be applied.

Mr William Casey, head of arriving last Sunday.

**GM** troubles cut US car output by 4.4%

THE US produced fewer than 8m cars last year—a 4.4 per cent decline on 1985, industry figures show, Reuter reports from Detroit.

from Detroit.

The decline was entirely due to lower production by General Motors, which laid off thousands of workers in the face of slowing sales and a slipping hold on the US market, which it dominated for decades.

Despite the lower produc-

Despite the lower produc-tion of 7.83m, dealers and manufacturers are expected to have record sales of about 16m ears and trucks, eclipsing last year's record 15.72m sales of domestic and imported models.

in contrast to GM, Ford and Chrysler increased out-put of ears, according to the Analysis forecast that car production would fall further in 1987 as market demand slowed and new cars from Korea, Mexico and Brazil became available.

Austral falls to all-time low on parallel market By Tim Coone in Buenos Aires

THE ARGENTINE'S cur-THE ARGENTINE'S currency, the austral, fell to an all-time low in the Buenos Aires parallel money market yesterday, hitting 1.84 australs to the dollar and creating a gap of nearly 45 per cent between the official and mentallel rates. and parallel rates. It is the widest gap since

the introduction of the Government's economic stabilisation programme, the Austral Plan, in June 1985. The parallel rate is viewed locally as a barometer of public confidence in the Government's economic policy much more than other indicators, such as price move-ments on the stock exchange. In the past month, the parallel rate has slipped almost 20 per cent against the dollar, while the official rate has slid only 6 per cent,

creating pressure for a major and rapid devaluation But Mr Jose Luis Machina, president of the Central Bank, said in an interview published yesterday that the Government was not considering changes to its monetary policy.

David Gardner reports on the tenth anniversary of two radical publications

# Mexican magazines celebrate their survival

MEXICO recently celebrated two remarkable press anniver-saries: the 10th year of sur-vival of the country's two most independent publications.

independent publications.

Proceso, a left of centre weekly magazine with little regard for Mexico's many political shibboleths, and Vuelta, a liberal monthly review relentless in its libertarian critique of Mexican public and cultural affairs, have been small but sharp thorns in the side of a regime used to a high level of state management of the media.

They have in com They have in common their emergence from the ruins of Mexico's last great adventure into independent journalism, Excelsior, the country's leading daily when it was edited from 1968 to 1978 by Mr Julio Scherer, who founded and

Nostalgic former contributors Nostalgic former contributors recall that under Mr Scherer Excelsior collected probably the finest array of journalists and writers assembled in Mexico this century, making it during his temure the leading daily in the Spanish speaking world.

Pluralist and critical, from Pluralist and critical, from

Pluralist and critical, from 1971 to 1976 it also published the cultural supplement Plural, edited by Mr Octavio Paz, leading poet and essayist of Latin America and Mexico.

In July 1976, then president Mr Luis Echeverria engineered a Machiavellian palace coup inside the Excelsior co-operative against the Scherer group. Despite an outery in Mexico, the US and parts of Europe and US and parts of Europe and Latin America, Mr Scherer and Mr Paz (who founded Vuelta) were forced to move on, carrying with them the newspaper's spark of independence.

Tracetal20 Proceso is an eclectic maga-zine, beginning with Mr Scherer himself. A man of Madrid and his ministers. Its columnists span the political

great vitally and humour, with eyes which are penetrating and mischievous by turn, Don Julio, as he is known respectfully in This attempt to wrench public affairs from the private grasp of the all-embracing Institutional Revolutionary Party (PRI), in power in one form or another since the triumph of the 1910-20 Maxican revolution, is where Precess converges with Vuelta.

"What we want to do in all the profession, does not so much edit as impel Proceso. Its staff work on a long leash, publishing pieces of widely varying length and often con-What we want to do in all

spectrum

They are combative, breaking spheres is to criticise," explains Mr Enricue Karauza, Vuelta's into areas most newspapers pass over such as corruption, justice, and the police, election frauds, the army and companies like Pemez, the state oil monopoly, managing editor, "Since public life here is not public, this is necessary. What defines our criticism isn't so much that it is and Televisa, the powerful private TV conglomerate, both liberal, as that it tries to untie the knots of rhetoric," he of which are normally about as penetrable as the Kremlin. in Mr Par's formulation,

Proceso cartoonists are devastatingly apposite and are among the few in the craft which enjoys the widest margin of freedom in Mexican Vuelta's function is to provide "a free space" for imaginative writers and critical thought, between the PRI/Government and the unreconstructed left of which the poet himself was once a standard journalism—who openly dare to lampoon President Miguel de la

Vuelta's stature comes in the first instance from its publica-tion of literature: by estab-lished Latin American writers like Paz himself, Mario Vargas Liosa, Carlos Fuentes or the late Jorge Luis Borges: by their European peers like Italo Caivino, Milan Kundera or Ted Hughes; and through the regular featuring of new writers.

Other writers of world-renown such as Nobel Laureate Gabriel Garcia Marquez have kept away, presumably as uncomfortable with Mr Paz's apostasy as he is with their sympathies for the

out of these confines and given it national impact here is unquestionably its vigorous espousal of democracy as an imperative for Mexico and its de facto one-party system.

Mr Krauze, a writer of huminous prose who specialises in intellectual history, set this agenda with his influential 1983 essay for a Democracy Without Adjectives, now the title of a Adjectives, now the title of a best-selling collection of his passionate demogratic advocacy. Mr Paz himself, long silent on Mexican politics, returned to the fray with a devastatingly measured reflection on the decadence of the ruling party entitled PRI, 1929-1985; Time

Up.
"Democracy," says Mr Krauze,
"is an idea which has given us
"is an idea which has given us
"is an idea which has given us Mexico entered its worst finan-cial and economic crisis for half selected encounters with the

ago. published on the restora-and capitalising on the restora-tion of democracy in most of the Southern Cone. "We're all going back to basics; reading

de Tocqueville," Mr Krauze enthuses. This has given Vuelta financial independence, beyond the reach of Mexico's most powerful advertiser, the State, which provides only a quarter of revenue but is in a position to make or break most tubble.

revenue out is in a pushion to make or break most publica-tions. Proceso, for instance, has been denied state advertis-ing since 1982, but has survived around 85,000.

any other media uniter. In a country where nobody believes anything, most people believe Proceso," he argues. "But the fact that it only sails \$5,000

## Lugar wins first round

SENATOR RICHARD LUGER,

the Indiana Republican, has ship of the committee over the won the first round of his past two years has helped struggle to retain his role as revive its stature on Capital the senior Republican on the Hill.

particularly with Mr George particularly with Mr George Shultz, Secretary of State, has ing.

Next week the 45 Republican
Next week the 45 Republican been challenged for the posi-tion of ranking Republican on Jesse Helms, the arch-conserva- issue, since Senator Helms is tive who has frequently been not expected to drop his candia thorn in Mr Shultz's flesh.

Mr Lugar's impressive leader-

Foreign Relations Committee now that the rival Democrats members of the committee voted 7-0 to support Senator Lugar in his bid to retain his senator Republican, The senator, who has position as senior Republican, enjoyed close working relations with two Republican members, with the White House and particularly with Mr George Helms, not atending the meet-

have confirmed that Mr Casey has difficulty speaking and weakness on his right side.

The New York Times yester

arms shipment to Iran via Israel in September 1985. The shipment is a matter of

bitter dispute. The president's former National Security

day the House of Representa-tives was preparing formally to

members of the Senate will probaly be asked to vote on the

uneasy about the economic implications of elements of the budget President Ronald Reagan proposed to Congress on Monday. Markets have yet

plled by reduction of the president.
federal government's budget Broadly speaking, though, the
deficits; and the use of asset proposals were along traditional

analysts' reactions

tradictory views.

president.
Broadly speaking, though, the

tic but not incredible. Rates of 3.7 per cent in 1988 and 3.6 per cent in the following two years "ignore the business cycle," says Mr Robert Brusca, chief geometric of Nike

count rate cuts as a result and spending increases, he says.

Agreeing that a downturn will come at some point, Mr Philip Braverman, chief economist of Irving Securities, thinks the US will only avoid a recession this year "by the skin of our teeth."

The odds were shortened considerably by plans to cut the budget deficit which will reduce fiscal stimulus urgently required in these sluggish times.

Beyond the adversa affect of cutting deficits at this stage in the business cycle, economists are also concerned about some of the reduction methods. Asset sales are "the part of the budget I dislike the most," says Mr David Jones, chief economist of the bond dealer, Aubrey Lanston. "They are a gimmick "which lets the government poatpone tackling the Beyond the adverse affect of

## WORLD TRADE NEWS

# PRESSURE VESSELS DIRECTIVE **Community cuts**

# red tape on product standards

Community.

One reason why so many barriers like this still exist is that—at least until recently—setting industrial standards in the EEC has been nightmarishly complex. The 180 or so product standards agreed by the Community have come through a laborious process of setting out rules for the smallest detail of

rules for the smallest detail of each product; the result being directives several hundred pages long, that are often out of date by the time of their completion.

Thanks to an accord in 1985 between member states, all that should now change. Under the new approach, the EEC now simular simular

CONSIDER THIS: before a sense into practice in the EEC can be sold in France, the air brakes have to be sent out to be tested by local inspectors before going back to the UK for installation.

This bizarre return trip can multiply the cost of the components involved by up to 50 times—a telling example of how a lack of agreed product standards can turn a small irritation into a major barrier to free trade in the European Community.

After optimistic claims

new approach, the EEC now aims to produce simpler standards dealing with families of products, stipulating that goods can be sold freely throughout the Community so long as they can be shown to be safe.

However, the progress on drawing up new style standards for pressure vessels the first products to receive this treatment, shows that putting good 18 months or more producing technical specifications. In the interim, the new approach entrying the interim, the new approach entrying

Council of Industry Ministers from 12 member states in mid 87.

bureaucracy.

After optimistic claims earlier this year by Mr Alan Clark, the British Trade Minister and chairman of the Community's Internal Market Council, that it would be ready for legislation by Christmas, the directive is only just beginning to get clear of a lengthy debate between national officials over how much detail is should contain.

bogged down in technical debate for five years before being scrapped and relaunched under the new approach.

"We never expected the first one to be easy. It will prove that the new system will work in practice—and after that the ride should be much smoother." says a senior Commission official responsible for the internal market.

the main problem has been the adjustment required from national officials to shift from the old style of debating technical detail to the broader remit of negotiating over performance standards; in short getting

once out of the hands of its creators at the Commission, the directive then passed last March to the first stage of debate by member states, the internal market council's economic questions working group. The job of the 12 national officials in this group is to agree on a mass of legal detail before handing the document for fine tuning to a more senior group, which will then present it for final agreement by EEC Industry Ministers.

The pressure vessels directive is still at the first stage. The working group has been struggling to find common ground on how far the eight

Pressure vessels directive: the progress so far

have argued during a series of monthly meetings since early 1986 for the inclusion of a certain amount of technical indication of how those require-ments should be met, a position which reflects the strength of their domestic pressure vessel

By October, "we felt that we could have spent years arguing about the shape of the directive, never mind its contents," said one working group member. It was at that point that the British and Dutch representatives felt the process had gone too far and that they were sliding back towards the old approach.

them to accept the heart of the new approach.

"People used to technical directives have found it hard to adjust," admits one national representative.

"People used to technical ments," the performance and directives have found it hard to adjust," admits one national representative.

France and West Germany after all got it right. The only after all got it right. The only question now is how long they

question now is how long they will take to agree on a shortened version to pass on to senior officials in readiness for final agreement.

Meanwhile, their progress is being watched anxiously by manufacturers, whose lives are being increasingly complicated by the proliferation of overlapping national standards. "The problems of this directive will almost certainly be the problems of the others," says Mr Richard Griffiths, general secretary of Pneurop, the European compressor makers association. "It could mean a major change of philosophy not just towards the old approach. change of philosophy not just At the UK's insistence, the for us, but for everybody."

a ready the main home of the European Parliament.

Brussels and Luxembourg also have their fill of existing Community institutions while Ireland and Greece have, in effect, been ruled out because of their goographical position on the periphery of Europe.

The Hague and Munich are already major centres for intellectual property—a possible advantage, some suggest—while London and Madrid so far have ne EEC institutions.

The idea of an EEC Trade Mark Office was first proposed in 1980 and met a largely unenthusiastic response.

The original plans, however, have haden greatly of existing the original plans, however, The original plans, however, have been greatly modified and opinion now appears to have swing behind the initiative.

At the same time the aim is to harmonise national trade mark law, which will continue to exist status mark law, which will continue to exist, giving companies a choice between that and the new European alternative.

Member states, meanwhile, have been working towards the ultimate goal of a single European materia. European patent,

in a population of 85m shows how far the press in Mexico has got to 80." Mr Scherer's own long. awaited entry in this year's best sellers' list, entitled Presidents, shows how far Proceso, at least "Democracy," says Mr Krauze,
"is an idea which has given us
sales." Vuelta's sales have
doubled to around 15,000 since

the become an outsider, it is a deli-

a century in 1982, brought about last four presidents which pro a century in 1882 of accounta-duces a surreal vision of the bility office itself, with its enormous Vuelta also launched a South power and capacity for whim, American edition, three months

# Ignoring business cycle 'may mean economic rough ride' Reagan Administration lines although the president seems to have weakened his resistance to tax increases if they are called "revenue enhancements" or "user fees." Will inevitably recur, bringing a recession which will drive up the deficits as revenues shrink and spending increases, he says. Agreeing that a downturn cutting deficits at this stay will over fees. Roderick Oram on

**EUROPEAN COMMISSION** 

tration's choice to ignore business cycles by making "straight line" growth and deficit reduction forecasts into the 1990s; the loss of fiscal stimulus image.

EUROPEAN PARLIAMENT

Expected to give first

opinion to Commission

Commission and Council

three months later. This is a precondition for

acceptance by Industry

Parliament to reply, usually

and Council early 87.

give reactions for

Reagan proposed to Congress on Monday. Markets have yet to react because the adverse effects will not be felt for some time.

Analysts' concern focuses on three main areas: the Administration of deficits.

Markets paid scant attention to the budget proposals known to the budg

**EEC** cities

compete for

trade mark

By Tim Dickson in Brusseis

A POLITICAL battle is being

A PULITICAL battle is being fought in Brussels on the question of where to site the European Community's proposed Trade Mark Office.

The decision is of relatively minor economic importance—perhaps a couple of hundred jobs will be involved but it is assuments.

but it is assuming enormous symbolic riguificance for the 10 member states which have put in formal bids to host the Community's first new institution in at least five years.

Only Demark and Portugal have spited out of the race.
The pressure is on the European Commission to decide on the new head-quarters since the Internal Market Council is expected to agree a single procedure and commission.

common Enropean law for trade marks by the end of this

year or early in 1988.
Several outstanding fechmical fasues have yet to be
resolved but, as one EEC
official puts it, "member
states are about to go into the
final states."

final stage."
It is understood that the

front runners are London.
Munich, The Hague and
Madrid, with Strasbourg a
less faheled outsider as it is
a ready the main home of the

office

chief economist of Nikko
Securities in New York.
Given economic problems such as the trade deficit, the cycle

Thus the onus for keeping the causes of deficits, he says.

Thus the onus for keeping the causes of deficits, he says.

The Administration is alming for a deficit of \$108m even more heavily on Federal (£73.14bm) in fiscal 1988

## starts work March 85 Lord Cockfield, Internal Market Commissioner, presents draft directive for agreement March 86 COUNCIL OF MINISTERS Economic & Social Committee Economic Questions Working Group starts debate in March 86, still Committee of Permanent Representatives Expected to start fine tuning early 87 in readiness for final agreement by

CEN AND CENELEC European standards bodies to set technical specifications, mid 88 or early 89

NATIONAL GOVERNMENTS Produce own legislation to conform with directive

The fact that various Commission proposals for harmonising pressure vessel standards have failed to get anywhere since 1968 made this seemingly obscure product an ideal test vehicle for the new approach.

The main problem has been

TOPPAN PRINTING of Japan

and Philips of the Netherlands have set up a joint studio service company in Tokyo for a new compact disc system. The Philips.

The new joint venture Densing active compact disc system before its introduction this year. Experience has shown that consumers want enough software available to make a compact disc. TOPPAN PRINTING of Japan

## Helsinki and Moscow sign trade agreement

By Olli Virtanen in Helsini TRADE BETWEEN Finland and the Soviet Union will amount to FM 27bn-32bn (\$5.6bn-6.7bn) in 1987 according to a protocol signed in Helsinki yesterday. Last year trade between the two countries tatalled FM 29bn, down by FM 8bn from the planned level. Tinland and the Soviet Union that a long-term agreement

several orders with Finnish companies including one for 11 arctic tankers from Wartsila worth FM 900m and another for eight cargo ships from Rauma Repola worth FM 250m. The two Finnish yards have agreed to subcontract up to 15 per cent of the total to Soviet companies instead of the total to Soviet conserved.

panies, instead of the usual 5
per cent.

The trade protocol, signed by
Mr Jermu Laine, the Finnish
Foreign Trade Minister, Mr
Boris Aristov, his Soviet
counterpart, for the first time
includes upper and lower limits
for each product category. If
oil prices rise, thus increasing
the value of imports from the
Soviet Union, Moscow has
pledged to buy more goods to
trade within the agreec limits.
Finland's metal and forest industry exports will at least remain on the same level as last
year. Exports of agricultural
products will decline the most.

Mr Laine is confident that
the overall value of trade will
not be below that of 1988, Only
a few months ago Finnish officlals were predicting that trade
would fall by up to 40 per cent.

Finnair yesterday signed a
joint venture agreement with
Intourist, the Soviet tourist
authority. The Finnish airline
will renovate Hotel Berlin in
Moscow and own 49 per cent of
it, with Intourist controlling 51
per cent. This is the first such
loint venture between Finnish panies, instead of the usual 5 per cent.

It said the machinery for Hungary was for a coment fiake board plant. It will also deliver machinery for four particle board overlaying plants and one paper converting m(0) in the one paper converting mill in the

## Taiwan surplus rises by 50%

TAIWAN'S trade surplus jumped 50 per cent to a record \$15.62 last year, Reuter reports from Taipei.
Foreign trade volume reached a new high at the end of 1986 soaring to \$63.96bn, against \$50.82bn at the end of 1985.

Mr Augustine Wu, deputy director of the Board of Foreign Trade, said the trade outlook was optimistic for the first half of 1987 Mr Wu said any US protect tionist bills were not likely to bite into Taiwan's exports

until later this year.

## **Chinese hotel contract**

BY STEVEN B. BUTLER IN SINGAPORE

A Singapore consortium has won a hotel construction con-tract in China, giving further impetus to the island-state's goal of serving as a gateway to the People's Republic. Mainland Investors of

had been awarded a \$\$94m contract to build a \$6-story luxury hotel on Nanjing Road The group is a consortium of five Singapore companies, including Hoe Huat Construction and Engineering, Low

Singapore said yesterday it

Keng Huat Construction, L & M Prestressing, Metro-built, and Ong Chwee Kow. The consortium has already won a bid to refurbish a hotel in Canton, and is preparing to bid for an office and apart-ment complex in Peking.

ment complex in Festing.

The Shanghai hotel will be the Jim Jiang Mandarin, which will be managed by the Mandarin chain. It is owned by a consortium of Chinese companies, including the the Shanghai Jim Jiang Holding Corporation. ing Corporation.

# Dutch-Japan disc venture set up

new compact disc system. The CD-I (compact disc interactive system) whose standard was announced by Philips and Sony last March, is capable of recording not only sound, but illustrations, and other computer data. It will allow interaction between sound, text and pictures and is set to have a significant impact on the electronic publishing industry.

Philips.

From this April, the joint player worth buying so Philips is pushing the publishing industry heavily to invest in optical technology.

In October the Dutch electronics giant, which pioneered the compact disc technology.

Laura Raun adds from the compact disc technology.

Amsterdam: Philips agreement with the R. R. Donnelley printing is part of a concerted, global effort to promote optical production services.

have a long-term agreement under which trade must balance in value.

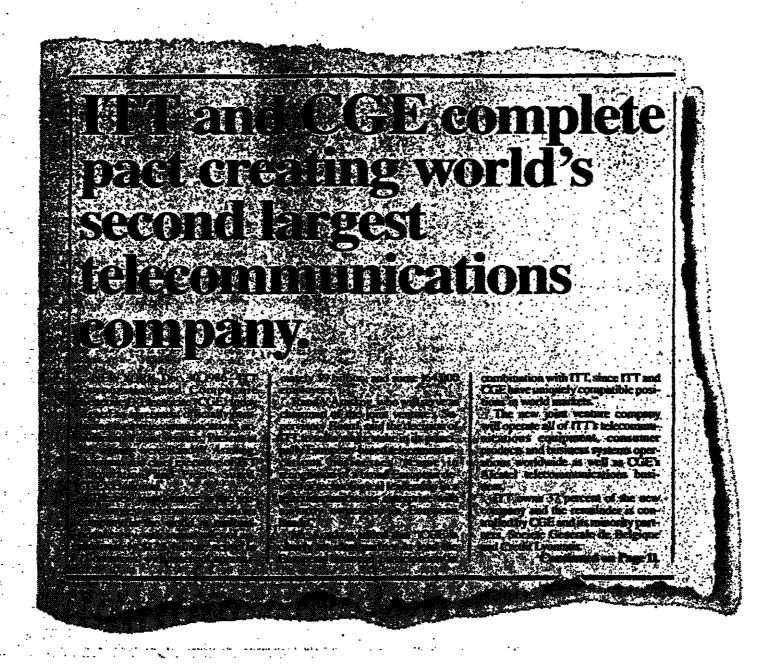
The total for 1987, however, will depend on the oil price.

Soviet officials also placed several orders with Finnish total collections.

per cent. This is the first such joint venture between Finnish and Soviet partners.

Reuter adds from Helsind:
Rauma-Repola said it had won orders worth FM 200m for deliveries of paper machinery and equipment to factories in Hungary and the Soviet Union.

It said the machinery for per cent. This is the first such



Moscow sign tradagreeme

# Right on schedule.

The fact that ITT has entered into a joint venture involving its worldwide telecommunications operations is dramatic, all right.

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# Labour pledges to put emphasis on investment

BY PETER RIDDELL, POLITICAL EDITOR

AN INCOMING Labour govern- lic expenditure and services. ment would have to concentrate available resources on investment rather than consumption because of and sterling crisis, Mr Roy Hatters-key, the shadow Chancellor of the sources on investment rather than maintain the average tax bill at the Exchequer, yesterday told the party's shadow Cabinet meeting at the start of a two-day strategy session.

As part of Labour's attempt to switch the political debate onto the economic outlook, Mr Hattersley said there was now a race between an economic crisis and the general election. He suggested that the deterioration in the economy made it ey for investment in the infrastrucand run in May or June" and hold an election then

shadow Caoiner that it a collapse could be postponed until an election, remedial action would then be immediately necessary in an emeritis proposals to help pendioners, the long-term unemployed and those receiving child benefit, being paid for by higher taxes on the rithest rates and further cuts in pub-

Mr Hattersley also warned his shadow Cabinet colleagues of the

problems they would face on taking the impending balance of payments office. A Labour government, he consumption, take direct action to present level. increase manufacturing output and exports, and create a macro-economic climate - interest rates, exchange rates and inflation levels which is conducive to the success of

our export industries." He later told reporters that Labour would use any available monlikely that "the Government will cut ture and manufacturing and would resist tax cuts in the budget. He said that whenever Labour took of-He warned in a paper for the fice it would introduce a budget to shadow Cabinet that if a collapse deal with this crisis and to imple-

Mr Hattersley said that his calculations were based on the present level of taxes before the coming budget, and while he would have to assess the situation of taking office.

His paper is part of an attempt to lower expectations and to prevent party spokesmen from making promises which cannot be fulfilled.

Mr Hattersley's analysis and opening remarks by Mr Neil Ki-nock, the party leader, warning of an even worse economic shambles" to come are intended to put the government on the defensive in what Labour sees as its most sensitive area of the balance of pay-ments and starling, while shifting attention away from defence policy.

Mr Kinnock said that the econoand claimed that Labour would beat the Tories "out of sight."

# Rover Group car market share dips to lowest for 35 years

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

cent and the lowest level since Austions. tin and Morris merged to form the

and its share fell for the first time in six years. Meanwhile, Ford, celebrating 10 consecutive years of UK up from 197,976, and the Japanese market leadership, increased its share increased from 10.81 per cent share for the first time since 1982. to 11.09 per cent.

The Society of Motor Manufacday confirmed that the UK last year unofficial agreement which rerecorded its highest annual new car stricts Japanese car sales in the UK sales. Registrations totalled 1.882m but not enough to cause concern in or 2.75 per cent more than the pre- the British industry.

For the first time since the 1950s car subsidiary, said yesterday "Obthe share of the market captured by viously we are disappointed with imports dropped, from 58.1 per cent the result". It pointed out, however, to 55.97 per cent, because the major that the company had its best De-importers Ford and GM supplied cember result for three years - but more cars from their UK factories. Ford lifted its UK-produced car this suggested the corner had been sales from 271,524 in 1985 to 330,847 turned.

THE STATE-OWNED Rover last year, representing an improve The company was dogged by confroup's share of the UK new car ment from 55.9 per cent to 64.2 per tinnous bad publicity during 1986 cent of the company's total registrations with parliamentary criticism at the start of the year and GM, meanwhile, increased the then a change in senior manage British Motor Corporation in 1952. UK content of total sales from 44.4 ment which drew more attention to General Motors, the Vauxhall-Opper cent (134,764 cars) to 56.2 per el group, also suffered a setback cent (159,794).

Austin Rover's relatively poor performance.

However, Japanese car sales Austin Rover's fundamental diffireached a record 208,838 last year, culty is that its model range has not lived up to expectation, particularly the Montego, its contender in the company car fleet sector which was This is slightly above the level to dicted to take 6 per cent of total turers and Traders (SMMT) yester- be expected under the terms of the UK car sales but last year achieved

only 3.3 per cent. GM's slide last year is also attrirange. It is well known among pro-fessional fleet buyers that the group's bestseller, the Vanxhall Cavalier, is to be varied. Austin Rover, the Rover Group's valier, is to be replaced next year

would not go so far as to say that 101,642 to 113,861.

# **Sterling** 'offers opportunity for jobs'

BRITAIN was facing an exceptional opportunity to create new jobs by increasing exports and reducing inports according to a paper from the National Economic Development Office (Nedo) published yesterday.

This new chance had come about as a result of the fall in the exchange rate of sterling, which had nade Britain more competitive.

Unlike earlier falls - such as the 1967 devaluation, where the benefits were wiped out by inflation this was likely to be a permanent benefit and offer a real chance to reverse the steady decline in Brit-ain's exports, Mr John Cassels, Nedo director general, said.

There is good cause for industry making a special effort in the period ahead, as the vital thing about this change in the value of sterling is that its benefits will not be wiped out by inflation as it is coupled to a fall in the oil price," he said.

"It should make possible an improvement in exports of between 10 and 20 per cent. The window of op-portunity is wide open." The UK's share of world exports has been cut by half over the last 25 years, from 16 per cent of the total world market for manufactured goods in 1962 to its present share of between 7

The value of the pound has decreased by 18 per cent compared to both the D-Mark and the yen over the last year. Nedo said Britain's relative unit labour costs in manufacturing were now lower in relation to West Germany's than they had been in all but six of the last 20 years. They were 20 per cent lower than a year ago, "and there has been a similar improvement in Britain's competitiveness in relation to

Britain, therefore has an exceptional opportunity to increase its share of both world and European trade." savs the report. "Forty per cent of our exports of manufactures Cavalier registrations fell by 15 | now go to the EEC and 53 per cent per cent from 34,335 to 113,861 last | of our imports come from the EEC, year while its major rival, the Ford so Britain's competitiveness in rela-Sierra, gained 12 per cent from tionship to the EEC currencies is of tionship to the EEC currencies is of especial importance."

# Curious trail left by Guinness shares raises more questions

DID Guinness really make a deposit of £7,514,682.10 with merchant bankers, Henry Ansbacher? If so. what was this unusually precise sum for, and why was it placed on an interest free basis?

These have become the key mes tions in the Guinness share-d controversy where more facts are emerging almost daily but where the overall picture is, if anything, becoming increasingly murky, with everyone disclaiming ownership of a hot parcel of 2.1m Guinness shares, and the dividends to which

these are entitled. As yet, there is no answer to them. However, a close examina-tion of documents in the affair and the sequence of events point to actions by Guinness and Morgan Grenfell, its merchant bank advisers, which are at best extremely strange if not actually questionable within Section 151 of the Compa-

This prohibits companies from buying their own shares other than in regulated circumstances, or from offering inducements to others to buy them.

None of these actions have been adequately explained in the sparse comments made by both companies so far, which say they are co-operating with an investigation launched by the Department of Trade and Industry (DTI).

More than nine months have passed since the affair began with a request from Mr Roger Seelig, Morgan's corporate finance director, for Ansbacher's help in Guinness £2.5bn battle for control of Distillers. Mr Seelig has now resigned and will not comment.

But Ansbacher's version is that he offered verbally to Lord Spens, its corporate finance director, to indemnify costs and any losses on up to £10m of purchases of Guinne shares made by Ansbacher clients. This would have the effect of bolstering Guinness's share price at a crucial moment in the bid, which was to be part financed by Guin-

In the event, two of Ansbacher's clients, one an institution and one a private individual, bought 2.1m shares at around 350p each. After Guinness won its bid on April 18, Ansbacher bought the shares back at the same price (even although Guinness was by then trading closer to 300p) and sent a bill for But what has been the status of £7,514,682.10 to Morgan on May 6. the "deposit" since June? Guinness This included the cost of buying says it instructed Morgan to tell

David Lascelles reports on the picture revealed by a £7.6m transaction involving Morgan Grenfell and Henry Ansbacher

back the shares, the brokerage Ansbacher to roll it over every commission, the stock exchange levy and the cost of carrying the shares for 15 days, which was calculated at the London interbank rate for short-term money (Libor) plus

half a per cent. Shortly afterwards, a money transfer arrived at Anshacher via NatWest for exactly that amount, but the remitter was named as Guinness, and Guinness solicitors later said it was planned as a shortterm deposit by Mr Olivier Roux, the company's finance director. Further evidence suggesting that

the shares were being bought by Morgan or Guinness came two days later when Ausbacher sent another bill to Morgan for £25,940 for additional stamp duty; this was paid with a Morgan cheque in early

The most curious aspect of the affair now follows. Morgan contacted Ansbacher and dictated to it the wording of a letter that it should send to Guinness. This letter acknowledged receipt of the £7.6m as an interest free deposit until May

However the letter also told Guinpess that the 2.1m shares were being held in Down Nominees, an Ansbacher subsidiary, on your account." This is contradictory, since the money could not simultaneously have been used as a deposit and in payment for Guinness shares. More curious still, Ansbacher

contradiction and the fact that it had already used the money to pay for the shares, and certainly had not booked it as a deposit. The situation was compounded on May 19 when Morgan dictated to Ansbacher the text of a second let-

agreed to send the letter desnite the

er to Guinness informing it that the deposit was being rolled over to June 19. This was also sent. Ansbacher has since acknowledged that this was "incompetence and Mr Richard Fenhalls, the chief executive, has been to the Bank of England to explain what happened

and promise to clear the matter up. But what has been the status of month by telephone. But Ansbacher denies that it ever received such an instruction.

On August 17, Down Nominees received a £48,000 dividend cheque Morgan's instructions, Ansbacher sent a cheque to Morgan, who cashed it apparently acknowledging their right to the money.

Three weeks later, Morgan again shares when Mr Seeling told Down Nominees how to vote them in the DTI inspectors report back. September 12 Guinness shareholders meeting, where Mr Ernest why the money equalled - down to Samders, the chief executive, won the last 10 pence - the amount support for his controversial plans claimed by Ansbacher after it

a letter for Morgan to sign. According to Ansbecher, Mr Seelig pro-

failing that, to sign the letter. But on December 1, the DTI announced an inquiry into Guirness Boesky, the disgraced US arbitra- may not be the only one. Some peo-Mr George Law, Morgan's com-

bacher's two letters of May and Peter Riddell writes. June, acknowledging the deposit, were based on "a mistake of fact."

stepped the mark.

the facts of the case. Whereas Mor gan's actions consistently suggest that the Guinness shares had effectively been bought from Ansbacher (the payment of the additional royalty, its initial acceptance of the dividend cheque, the instructions on voting the shares etc), Guinness says that the £7.6m was only a deposit, and was not intended to pay for the shares. It claims Morgan ex

ceeded its authority. Guinness now therefore wants its for its Guinness shares. Acting on money back, and is threatening to sue Ansbacher if the deposit is not returned on January 20. Since Ansbacher is refusing to return it on the grounds that it was spent on the share purchases, the case will most asserted their rights over the likely go to the courts and might even get a judicial airing before the

to restructure the company's man-bought the Guinness shares. This By November, Ansbacher was be- tion whether the money was incoming increasingly uneasy about tended as payment for the shares, the status of the shares, and it Nor will Guinness say why the sought to formalise the indemnity deposit was placed interest-free, a agreement with Morgan by drafting most unusual practice. In the eight months since it was transferred, the

What Guinness will not say

deposit should have earned ed to take the shares off Down £800,000, equivalent to about 1 per Numinees by the end of the year, or cent of Guinness' pretax profits last What has emerged so far is cer tainly not the end of the story. following the startling revelations Many details remain to be exabout its involvement with Mr Ivan plained and the Ansbacher angle

geur, and the affair acquired a new ple are suggesting that it is only a small part of a much bigger story which has yet to be told. iance officer, sent a cheque for • The Prime Minister herself 648,000 back to Ansbacher, saying should make a full statement on the

the dividend had been forwarded to Guinness affair to the House of his bank in error, four months earli- Commons next week after the er. And Mr Fenhalls wrote to Mr Christmas recess, Mr David Steel, Saunders informing him that Ans- the Liberal leader, urged yesterday, In a further illustration of the in-

creased political interest in City is-Mr Seelig's resignation from sues, Mr Steel said that Mrs Morgan, and Morgan's own resigna- Thatcher should indicate when the tion as Guinness advisers, brought official inspectors are likely to rematters to a head in the closing port on Guinness and what reweek of last year. The precise rea- sources are being applied to the son for Mr Seeling's departure has pursuit of reports of insider trading not been given, although Morgan and civil service involvement. He has said it is connected with the said she should also explain what Guinness matter, which suggests lessons she had drawn for the operthat in Morgan's view he over ation of the Securities and Invest ments Board and the future of self-Morgan's own resignation points regulation.

# MAN seeks to double truck market share

BY OUR MOTOR INDUSTRY CORRESPONDENT

THE 25 per cent rise in the value of standards and the organisation was the D-Mark against the pound in profitable. the past year will not hold back plans by MAN, West Germany's second largest heavy truck producer, to double its market share in the

UK to 6 per cent by 1990, Mr Richard Ide, a director of the Lonrho-owned import company, MAN Volkswagen UK, said yesterday that, despite the currency prob-lems, annual sales of MAN heavy trucks in the UK, the German group's best export market, would reach 2,000 for the first time this year, up from 1,798 in 1986, and reach more than 3,000 by 1990.

tuations, so our growth has to con-tinue to be at the expense of our competitors", he added.

MAN into the Audi Volkswagen or reliability of the F90 range and was ganisation since Lourho took over responsibility for importing the new models over several years. responsibility for importing the trucks in March 1982 has been more successful than any of us dreamed it could be".

12,000 vehicles, ranging from Polo year. When all the heavy versions vans to off-highway dump trucks, were available in 1988, sales were

The dealer network - 100 commercial vehicle dealers including 23 heavy truck specialists - had now achieved both the stability and the profitability it once lacked.

Mr Ide was speaking during a ceremony at which it was revealed MAN's new F90 truck range had Truck of the Year trophy.

MAN invested DM 250m (£23.3m) in the F90 trucks which have completely new cabs, chassis and suspension systems. A panel of 13 European truck journalists gave the "Short of a major economic upset, ropean truck journamess gave we do not expect large market fluo. F90 clear first place with 61 votes, well ahead of the Mercedes 19.44 trucks with 26 votes.

Mr Ide said MAN had been un-Mr Ide claimed the integration of willing to take any chances with the

The first F90s would not be on sale in the UK until March, with further introductions in Sept With annual sales of more than so sales would be a modest 175 this

## the business had scale by anyone's expected to reach 700. Ferranti joins bidding

for Royal Ordnance

FERRANTI, the Manchester-based electronics company, emerged yesterday as a surprise prospective bidder for Royal Ordnance, the UK state-owned arms and munitions company which the Government is trying to sell to the private sector.

Trades unions with members in RO were told by the Ministry of Defence yesterday that Ferranti was on a short list of companies that had expressed an interest in buying the whole of the state munitions Just of company, which had net assets of £216m (\$302m) a year ago.

The Transport and General Workers Union yesterday sent let-ters to its members in the Royal Ordnance factories saying that pot-ential buyers of RO would soon be visiting the factories gathering fur-ther information about the company and its problems and prospects.

The other companies on the list, as expected, are British Aerospace, falgar House congiomerate. The Royal Ordnance. ministry was expected to have made a formal announcement aging director of Ferranti was about the short list of prospective knighted in the New Year Honours buyers yesterday after formally list. He is also a director of GKN, telling the unions, but it declined to which is interested in buying the do so after one of the four compa- whole of RO.

nies wanted a mini mum of pub-

Ferranti said yesterday: "We do not formally confirm our interest in buying Royal Ordnance, but we are not prepared to discuss the extent of this interest."

The company did say, however, that a purchase of Royal Ordnance would represent "one of the biggest acquisitions by Ferranti in recent

Just over 30 per cent of Ferrant's £595.8m turnover last year was ac-counted for by its work on defence

Some 45.7 per cent of the con ny's operating profit of £47.6m came from defence work. Ferranti is involved in the design

and manufacture of specialised defence electronic equipment for the Royal Navy, including sonar equipment, and is a sub-contractor to Hunting Engineering for the Royal Air Force's runway cratering bomb, GKN, the metals group and the Tra- JP233, a project which also involves

Sir Derek Alun-Jones, the man-

# **Contracts and Tenders**



# الجزائس - ALGERIE

## MINISTRY OF TRADE **ENAPAL**

Notice of International Invitation to Tender N/03/87 The Enterprise Nationale d'Approvisionnement en Produits Alimentaires (National Food Supply Company) ENAPAL issues

an International Invitation to Tender for the supply of: 1,000,000 and over boxes of 24x500 GRS units of "A Lahda" instant powdered milk.

Interested companies may collect the specification against payment of 200 DA (Algerian dinars) from ENAPAL, 29 Rue Larbi Ben M'Hidi Algiers. Tenders in duplicate together with the statutory documents

should be sent to the above mentioned address in double sealed envelopes, the outer envelope only bearing the following International Invitation to Tender N/03/87, not to be opened. The final date for submission of tenders is 30th January 1987.

Tenderers will be committed to their tender for 60 days from the closing date of this invitation which is addressed only to producers and bodies specialising in marketing in accordance with the provisions of Law No. 78-02 of 11th February 1978 relating to state monopoly on overseas trade.

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## Public Notice

COMPETITION ACT 1988
NOTICE UNDER SECTION 3 (2) (b)
SEALINK HARBOURS LIMITED
The Director General of Fair Trading is
to Investigate, under section 3 of the
Competition Act 1980, whether Sealink
Harbours Limited (Sealink) has been
or is pursuling a course of conduct
which amounts to an anti-competitive
practice.

ports.

The purpose of this investigation:

"Customs clearance services"

means services supplied in connection with the preparation, presentation and pessing of customs
import of export entry documents;
"port exit permits" means parmits
required by Sealink to be held in
fespect of vehicles leaving the port
compound.

compound.

If you have any information which you sonsider would help the Director General, please write to:

Chancery House, 53 Chancery Lane, London WC2A 1SP.

Your letter should arrive as soon as possible if it is to be taken into account in the inquiry.

The Enterprise Nationale d'Approvisionnement en Produits an Invitation to Tender for the supply of:

Interested companies may collect the specification against payment of 200 DA (Algerian dinars) from ENAPAL, 29 Rue Larbi Ben M'Hidi Algiers;

Tenders in duplicate together with the statutory documents should be sent to the above mentioned address in double scaled envelopes, the outer envelope only bearing the following

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Public Notice

INVESTIGATION BY THE MONOPOLIES

AND MERGERS COMMIS

Floating Rate Notes due 1987 ("The Notes")

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policy of thir slav and value for money, Susper from 10-3.30 am. Disco sed tog musicians, gizmorous hostesses, existing floorshows, 189, Regent St., W1, 01-734

# MINISTRY OF TRADE **ENAPAL**

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5,000 and over tonnes of fresh unsalted pasteurised butter.

International Invitation to Tender N/02/87, not to be opened.

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Credit Lyonnais, as fiscal agent in respect of the notes, is now in respect of the notes, is now in respect of funds in respect of:
(i) The principal doe for redemption of the notes that the serial numbers of which were published on 10th May 1985 and which remain outstanding, of which the due dats for redemption was 7th June 1985.
(ii) The interest due on overdue principal on such notes from 7th June 1985 to 9th Jenuary 1987. Payment of the above amounts is sow available to holders of notes in accordance with their respective rights at the offices of the paying sgents in respect of the notes. CREDIT LYONNAIS

A Financial Times Survey SMALL BUSINESSES The Financial Times proposes to publish a Survey on the above on Monday March 2 1987 Monday March 2 1987
For Jurther details,
please contact:
ANDREW WOOD
on 01-248 5116
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I present that Meaten and 18 B KANTLLER

Matthew Science

supplies of

On the 30th december 1986, the CGE and ITT Telecommunications, in association with the Société Générale de Belgique and Crédit Lyonnais, have decided to group all Crédit Lyonnais, have decided to group all of their communications activities under the control of a common company based the control of a common company based.

in the Netherlands: Alcater.

The new group thus constituted immediately presents itself as a world leader in the field of communications.

Alcatel, because of its technological capabilities, its financial base and expertise, bilities, its financial base and expertise, has the necessary means for developing has the necessary means for developing new technologies which will enable it to play a decisive role, on the world scale, in all future areas of communications.

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CIGI

CGE AND ITT TELECOMMUNICATIONS: THE WORLDWIDE CONNECTION

# Gilt-edged stock offer receives a cool reception

fer of £1bn of new gilt-edged stock drew a lukewarm reception in the most of the market's primary dealmarket yesterday, with only a small proportion of the issue taken by primary dealers and investors.

Most of the issue, of 10 per cent Treasury loan 1994, was left in the hands of the Bank of England to be operated as a tap stock. Market esthe minimum tender price of £98

The tender offer was announced last Friday when a strong performance by the pound on foreign exchanges was encouraging a sharp rally in the gilt-edged market. Since then, however, the pound has fallen back, generating renewed doubts was specifically tailored to appeal over the prospects for any fall in in-

Mr Glenn Davies, the gilts econo-

ers had been unwilling to take a po-sition in the new stock until the outlook became clearer. He suggested that £200m was probably the maximum amount which the bank had

At Lloyds Merchant Bank, Mr timates suggested that only around Tim Cox said that the recovery in £200m or perhaps less was sold at the market last week had been exaggerated by the thin trading over the holiday period. The downward correction in prices when normal trading resumed this week had left the issue looking slightly expensive relative to other gilt-edged stocks.

> The issue, which yielded 10.4 per cent at its minimum tender price reported little demand from foreign clients.

## UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales value (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	TOOT-	mig.	Eng.	RECENT	Retail	Unem-	
1985	prod.	output	order	vol:	value	ployed	Vacs.
2nd qtr.	109.1	1 <del>04</del> .5	109	114.9	141.4	3.174	<b>161.7</b>
3rd qtr.	108.3	103.9	104	116.1	145.2	3.124	164.4
4th gtr.	108.4	103.6	105	116.7	177.7	3.122	168.2
1986						-	100.2
1st qtr.	103.4	102.8	195	118.2	145.4	3.171	166.5
2nd gtr.	108.9	103.5	98	120.6	152.7	3,298	175.6
3rd atr.	110.5	104.6		122.1	157.4	3.212	200.2
April	116.8	164.1	94	119.3	152.1	3,200	
May	108.5	103.1	101	118.5			170.2
June	197.6	103.4			149.8	3,205	172.1
July			- 99	121.7	155.4	3,220	184.4
	109.9	104.5	102	120.9	158.2	3.223	193.2
August	110.6	164.1	184	122.0	155.2	3,219	201.1
September	110.9	105.3		123.2	158.7	3,193	296.4
October	118.0	105.6		123.2	164.7	3.166	212.8
November				126.1		3,146	215.2
						4,10	419.2
OUTPUT-B	v marke	et sector	consu	mer go	ods, inv	estment	abood 5
intermediat	e goods	(mater	ials an	d fuels	engin	eering	output.
				/	,		o-op-o

metal manufacture, textiles, leather and clothing (1980 = 100); housing starts (000s, monthly average).

	Cusmer.	Invest	intod.	Eng.	Metal	Textile	House.
_	goods	goods	goods	output	mnfg.	etc	starts*
1985	-		-	-	_		
2nd atr.	103.3	105.2	113.8	165.7	117.7	102.0	18.2
3rd atr.	104.3	102.5	113.1	103.6	116.2	103.2	17.3
4th otr. 1986	163.7	102.7	113.5	103.2	114.0	102,4	15.6
1st atr.	103.1	102.5	115.5	102.1	111.3	163.1	14.2
2nd ctr.	104.2	100.5	114.9	102.0	116.9	102.3	19.8
3rd otr.	105.1	101.8	117.0	103.5	107.7	162.4	19.0
April	104.9	101.1	117.9	103.6	108.0	104.0	18.7
May	103.8	100.4	114.2	102.8	111.0	100.6	19.2
June	104.2	100.0	112.7	101.0	113.0	102.9	21.5
July	104.8	101.7	116.1	103.0	108.0	100.0	20.8
August	194.8	10L5	117.6	103.0	196.0	184.0	16.6
		102.3					
September	105.7		117.3	105.0	169.0	163.8	19.7
October	195.8	103.3	115.0	195.0	111.0	102.0	19.5
ETTERNI I							

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves. Export Import Visible Current Oil Terms Reserve -124 +1,587 +2,411 97.8 14.32 -446 +1,445 +1,900 100.2 14.18 -292 +604 +1,893 101.6 15.54 +1,929 101.0 18.75 +750 102.5 19.20 +688 103.3 22.43 +215 102.1 19.17 +287 103.3 19.08 +240 103.3 19.08 +180 104.0 18.93 +268 102.5 22.43 +184 102.2 21.99 +334 101.3 22.01 21.92 116.9 121.8 123.3 121.1 121.6 126.3 117.0 126.5 125.3 131.5 125.7 -1,437 128.6 -1,579 139.1 -3,034 131.6 -681 130.5 -630 134.9 -636 142.9 -1,514 139.5 -885 140.6 -835 146.8 -1,032 +549 + +275 -781 - 63 - 12 +115 -763 -134 - 35 -232

FINANCIAL Money supply M0, M1 and sterling M3, (three months' growth at annual rate) bank sterling lending to private sector; building societies' net inflow; HP†, new credit; all

seasonally				Bank	BS	HP	Base
	M0 %	M1 %	<b>M</b> 3	lending	inflow Em	lendingt £m	rate
1985	~	~	70	<u> </u>	±III	7.00	30
3rd qtr.	2.6	20.5	15.5	+4.625	1.771	3,374	11.58
4th qtr. 1986	2.9	17.0	12.9	+5,378	2,299	3,431	11.50
Ist atr.	4.1	21.4	19.3	+6.203	2,220	7.385	11.50
2nd qtr.	3.1	26.0	27.4	+6.489	1.433	7.658	10.00
3rd qtr.	5.9	30.7	15.6	+6.801	168	8.204	10.00
April	1.2	22.2	25.3	+1,458	756	2,743	11.50
May	4.3	27.1	35.8	+2.617	509	2.372	10.00
lune	3.9	28.5	21.6	+3.014	177	2.543	10.00
July	5.4	34.4	20.8	+3.267	387	2,719	10.00
August	5.7	22.4	8.4	+2,703	452	2,678	10.00
September		34.6	17.9	+831	-671	2.907	10.00
October	6.3	18.7	14.4	+3.521	1.951	2,796	11.00
November	6.4	27.7	18.6	+3.896	160	~,100	11.00

and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earn- ings"	Basic matis.*	Whsale. maig.	RPT•	Foods	Reuters emdty.	, Sterilng
1985 3rd qtr.	174.4	133.1	140.2	376.3	335.5	1.706	82.2
4th qtr. 1986	176.9	132.6	141.4	378.1	337.4	1,771	79.8
1st atr.	179.I	132.4	143.4	380.8	343,3	1.813	75.1
2nd atr.	184.0	125.8	145.7	385.7	349.5	1.453	76.1
3rd atr.	187.4	120.8	146.3	386.1	348.1	1.488	71.9
April	184.0	126.9	145.4	385.3	347.4	1,786	76.2
	182.3	126.4	145.9	386.0	349.8		
May						1,763	76.1
June	185.7	124.2	145.8	385.8	351.4	1,453	75.9
July	187.9	119.8	145.9	384.7	347.4	1,460	74.0
August	187.2	120.3	146.3	385.9	348.6	1.461	71.4
September	186.8	122.4	146.7	387.8	348.3	1,544	78.4
October	188.4	124.2	147.0	388.4	347.6	1.600	67.8
November		127.0	147.3	391.7	347.5	1,617	68.5
		* Not s	easonally	adjuste	d.		
·							

\* From January 1986 includes amounts outstanding on credit

# **Exports** insurance scheme will end

By Floria Thomson

BRITAIN'S Export Credits Guarantee Department (ECGD) said yes-terday it is to withdraw one of its schemes, the comprehensive external trade (CET) facility.

Since 1945, the CET scheme has provided cover for UK exporters organising trade in foreign goods beween two foreign countries.

The facility has notched up a trading deficit of £197m since its in-

Yesterday's move is the third and final decision to be announced by ECGD following extensive, separate reviews of three loss-making facilities it operates.

CET has been available to UK nanufacturers, merchants and confirming houses on credit terms up to 180 days. (A confirmer has a financial arrangement with an over-seas buyer and undertakes to make payments to a separate and indesupplier. Confirming houses take no responsibility for performance under the sales con-

It is solely confirmers who will be affected by yesterday's move and, of the ECGD's just over 100 confirming house policyholders, only about half have current trade business. Cover for manufacturers and merchants will, in future, be available under the department's comprehensive short-term guarantee facility.

CET will be withdrawn from July 31 this year. Letters were sent to the policyholders this week. It will not come as a shock. They have known of the department's concern for some time and have been consulted directly and through trade

The facility has consistently incurred deficits, most heavily since

# Pilkington against BTR's hostile bid

strength and unity that smacked gineering Workers and Association more of a rally than a conference, of Scientific, Technical and Managthe trade unions yesterday gave erial Staffs. unanimous support to the Pilkington Brothers in resisting the hostile takeover bid for the glass giant by

the industrial conglomerate BTR.

About 100 delegates attended the conference at the company's re-Lancashire, in the north of Eng-land. They represented the 16,500 the humans a employees at all Pilkington's UK had adopted. factories, laboratories and offices and were joined by union represen-tatives from Pilkington-Flachglas in West Germany and the two worker directors of the company's Swed-

ish subsidiary. MPs, ministers and major shareholders will start immediately. All-par-ty parliamentary support is already extensive, with two Labour MPs and one Conservative addressing yesterday's conference and an SDP-Liberal Alliance representative bringing a message of support from Mr David Owen, the SDP leader.

The first stage of the lobbying will be to try to persuade the Office of Fair Trading (OFT) and Mr Paul Channon, Trade and Industry Secretary, that the bid should be reers Commission in the public interest. A decision on this is expected next week.

The second stage in the campaign will be directed at the 18 financial institutions which are Pilkington's major shareholders. Particular targets will be Prudential Assurance. which holds more than 7m shares, and Norwich Union, which has more than 2m. Mr Ken Hind, Conservative MP

for West Lancashire, told the Union delegates: "If the Prudential and off this bid. If they sell out the smaller ones will follow." General, Municipal and Boilermak- the end.

It was soon apparent that what was happening was conditioned by Pilkington's management style and

industrial relations policies. These centre on achieving co-operation, even for rationalisation, which a search headquarters in Lathom, stream of union speakers condemned in principle while praising the humane approach the company

As Mr Alan Judge; chief execu-tive of the company's insulation di-vision explained, self-interest was at work here: Pilkington had learned that a business founded on continuous processes could not af-Intensive, organised lobbying of ford confrontational labour rela-

> Union suspicion, if not fear, of BTR and its reputation for impos-ing cuts was also obvious. The future of Pilkington's research and development programmes and labo-ratories was seen as being at stake, despite their role in building the company's world lead in glassmak

ing technology.

Mrs Marie Rimmer, leader of the Labour-controlled St Helens Council, stressed the importance of Pilkington having its headquarters in ferred to the Monopolies and Merg- the town, particularly for the effect on the whole north-west, where thousands of smaller companies benefit from the company's "buy lo-

cal" policies on supplies.

Today she will lead a council delegation to the City of London to put the case to stay with Pilkington to major shareholders.

Meanwhile, the bid remains in limbo, with the takeover timetable clock stopped to give the OFT long-er to make its recommendation on referral. If it is allowed to re-start, Pilkington and St Helens will await Norwich stay with us, we will see BTR's improved offer with bated breath, although there seems growing confidence in the Pilking-The Unions represented were the ton management that it will win in

# Trade unions back |Lords urge raising of national research effort to Cabinet level

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CENTRAL weakness of Brit- present mechanisms ain's £6bn, annual research and development (R&D) effort is that it is fragmented and unco-ordinated. says a House of Lords select comittee, in a report published today.

It identifies flagging morale among British scientists and a low level of public interest generally in R&D which it says is particularly marked in the City of London.

Companies are urged to disclose their investment to "encourage financial interests to take R&D strength much more into account when weighing a company's future prospects."

They say that a Cabinet minister should take responsibility for the national R&D effort and a central body should co-ordinate the programme. The report adds that a new avenue is needed for publicly lunding research in addition to the

strategic research, which was "the United Kingdom's economic fufirst thing to go when things get tight," said Lord Sherfield, chair-man of the committee on science and technology.

Strategic research is defined as research undertaken with eventual practical applications in mind even when they cannot be clearly specifi-

category of research only in the 1980s but is funded mainly as basic is designed to assess." It has been identified as a distinct or "pure" research, undertaken with no specific application in mind.

Basic research is currently funded by government through a dual-support system, involving both the science budget of the Department of Education and Science and the University Grants Committee. The peers urge a third route "for HMSO. £6.

funding that strategic research The new route would finance which is of most significance to the

ture." But they also see the research councils and government departments, as proxy customers in noncommercial fields, retaining responsibility for some strategic research.

They are critical of the research community's own efforts to evaluate the performance of research, finding its approach "less scientific

They want about 1 per cent of all Government R&D funds to be spent on evaluation, which they say "must be approached as a discipline not as a threat."

Civil Research and Development, Report of the Select Committee on Science and Technology. Volume L.

## Traded options market surges to record

By Alexander Nicoli

VOLUME on the London Stock Exchange's traded options market surged to a record 5.36m contracts last year, 140 per cent up on the 1985 total of 2.23m, which itself was double the number dealt in 1984. The options market has taken off

risk management instruments such Further growth is expected this

year partly because equity market makers - whose numbers were drastically expanded by last October's Big Bang deregulatory reforms - are keen to trade options,

## Stock exchange seeks end of share deal tax

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

for the abolition of stamp duty on Chancellor by Mr Graham Ross share transactions and wants the Russell, the exchange's deputy Government to consider further re-chairman, also include a number of

the Chancellor of the Exchequer, changes include improvements to over the past two years as part of the stock exchange says that the Personal Equity Plans and further the worldwide trend towards use of abolition of stamp duty should be a measures to encourage profit sharpriority in his spring budget. The ing schemes. removal of the duty, which would as futures and options, and follower removal of the duty, which would ing the privatisation of British Telecom, Trustee Savings Bank and ernment revenues, would improve the liquidity, international competitiveness and effectiveness of the

British securities market. Mr Lawson halved stamp duty in his last budget but at the same time introduced an ADR tax to minimise avoidance of the tax through tradeither to protect their positions in ing in British shares on overseas top rates of tax, which has encounted underlying shares or as additional trading vehicles.

In the protect their positions in ing in British shares on overseas top rates of tax, which has encounted in a distribution of tax and the protect their positions in ing in British shares on overseas top rates of tax, which has encounted in a distribution of tax and the protect their positions in ing in British shares on overseas top rates of tax, which has encounted in a distribution of tax and the protect their positions in ing in British shares on overseas top rates of tax, which has encounted in a distribution of tax and the protect their positions in ing in British shares on overseas top rates of tax, which has encounted in a distribution of tax and the protect the protect of tax and the protect the protect the protect their positions in the protect that the protect the prote Last year saw successive daily should reduce the ADR tax to a lev- "A close watch must be kept on volume records, reaching a peak on el which does not penalise compa-rates in other countries... to ensure December 8, the first day of trading nies seeking access to overseas that we do not fall significantly out

THE STOCK exchange has called \_\_ Its recommendations, sent to the ductions in the top rates of income technical changes which it says tax. In a letter to Mr Nigel Lawson, share ownership. The suggested

> Referring to the recent move by the US administration to lower its top rates of income tax, the stock exchange says that high marginal rates of tax in Britain will ultimately undermine London's effectiveness as a financial centre.

It acknowledges that that Government has already reduced the in British Gas shares and options, markets, the stock exchange says. of step with international trends."

# Jobs check underlines north-south divide

BY HAZEL DUFFY AND CHARLES LEADBEATER

ployment opportunities was quanti- national and regional - on which fied yesterday in the publication by
the Department of Employment of
the 1964 Census of Employment.

It showed that East Anglia, with

It showed that East Anglia, with the smallest employment base in Great Britain, and the south west.

were the only regions where the number of employees in work inreased between 1981 and 1984. The decreases were most severe in the north west, with the loss of 158,000 johs, followed by Scotland (down 80,000). Wales, the north, Yorkshire and Humberside, and the west Midlands, all lost between 50,000 and 70,000 jobs.

These statistics join a host of others, broken down regionally which confirm not only the gap between the north and south in prosperity, but also that the gap in some areas

A study of GDP per head illustrates what has happened. In 1979, when the Conservatives came to ower, the south east accounted for 115.3 per cent of the average for the UK. By 1983, this was 121.5 per cent. Meanwhile, the north west had gone from 96.6 per cent to 94.1 per cent, and Yorkshire and Humberside from 93.4 per cent to 91.4

It is not always enough to look at the bald statistics. The percentage of unemployed, for instance, has risen in the south east over the past four years, from 7.7 per cent to be-tween 8.5 and 9 per cent in 1986. Long-term unemployment, how-ever, is much more pronounced in the more deprived regions.

Pay in the regions reflects variations, even if not as marked as the Chancellor of the Exchequer, would like, as does expenditure. Average spending per person in the south spending per person in the south east on commodities and services, according to the Family Expenditure Survey, was £65.40 a week, in 1983-84. That compared with £55.50 for the UK as a whole, £48.40 for Welland £48.50 in the person Wales, and £47.80 in the north.

The main purpose of the census

THE REGIONAL disparity in emiss to provide benchmark figures - of the underlying problems of im-

interesting revisions. They show, for instance, that the number of employees in employment (excluding self-employed) fell by an extra in the London area to 29.6 per cent in the London area to 29.6 per cent in a sub-region of the north west. had been estimated from short-

The total employed labour force has fallen by 745,000 in the country as a whole, since 1979 (employed and self-employed). This was made up of a fall in employee jobs of ner-by 1.6m, mitigated by an increase in self-employed of more than 800,000.

Regions which benefited most from the rise in self-employed have been the south east, East Anglia, the south west, and to a much smaller extent, the east Midlands. Taking the years 1983 to 1986 on their own – which is more to the Government's liking, all regions with the exception of Wales have seen an increase in employment thanks to the self-employed factor, and the increase in service jobs.

years against the previously estiment of workers of Afro-Caribbe mated 211,000 - has, of course, hit or Asian origins. those regions where manufacturing is most concentrated.

Revisions stemming from the census also throw up other interesting facts. The number of part-time nale employees, for instance, is

now estimated to have increased by where previously it was assumed to have fallen by 34,000. It is necessary to look at more de-tailed statistics than are available

Gazette in order to glean a picture

balance, in the regions.

The 1981 Population Census, for example, ranked the regions, in

terms of assisted area status where age of low-skilled in the economi

Statistics such as these prompted Dr Ron Martin, a Cambridge academic, in a recently published essays to comment: "Not only do the peripheral and depressed industrial regions appear to have a low potential for new-firm foundation and science-based activity, they lack the cumulative concentration of qualified manpower, research and devel-opment functions, conductive mar-ket conditions, and financial and infrastructural advantages, that seems to increasingly charawhat has been termed Britain's 'sım belt, that area south of an arc stretching from Cambridge through Berkshire to Bristol.

The census also shows that worl ers of ethnic minority backgro hanks to the self-employed factor, are still significantly more likely to be "disadvantaged" in the labour market than their white counterthe decline in manufacturing jobs - now put at 323,000 for the last three

> It reveals that in the spring of 1985, 10 per cent of whites of working age were unemployed compared with 20 per cent for the ethnic mi

munity emerged as the most disac 299,000 between 1983 and 1986 com-pared with a previous estimated in-crease of 642,000. Full-time female among 16-24 year olds, to a low of employment, on the other hand, is 23 per cent among 25-44 year olds, shown to have gone up by 320,000 or 2% times the unemployment rate among whites in this age group.

\*Employment Gazette, Januari 1987 EL25. \*\*Thatcherism and Britain's Indus trial Landscape: The Geography of De-Industrialisation, published by in the Department of Employment

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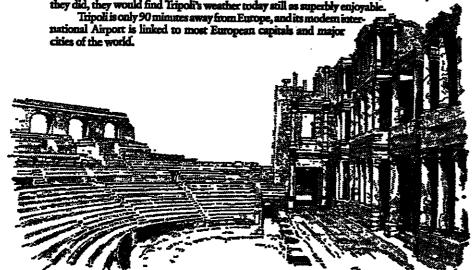
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# Sargent lines up in force



"The Misses Vickers" by John Singer Sargent

in a merger of art, science and industry that has set a pattern and an attitude ever since. What has been taken for granted over the years as a way of life that celebrated prosperity and ingenuity has come under close scrutiny recently by historians.

parents in Florence, Sargent was a product of the refined and untroubled cultivated European life his friend and fellow sife his friend and fellow expatriate Henry James portrayed in his novels. Yet, it appears he responded fully to a frank openness he saw in America that can subsequently be observed in his American portraits commissioned by those families of the prosperous new style. Everyone has a favourite Sargent in some local museum, but when these are collected toother and lined up in force. togther and lined up in force, as they are here in a retrospec-tive of 168 works — the first since the Royal Acamedy's in 1926—then the differences are revealing (lately at the Whitney Museum, Art Institute of Chicago from February 7 to

In common with Ingres' por-trait drawings, the best Sargent' oil portraits carefully delineste the character of the facial features while the rest falls away in a cloud of stylish dress with always a touch of gi a necklace, ring or watch chain—to enhance the rich apparel. With regard to the starding 1884 portrait of Madame X—on view with preparation drawings indicating Sargent accomplished exactly what he set out to dogram but blank profile and miknot the artist's final direction. The artist's 1913 portrait of the writer is there to prove the His turnabout may have been a response to critics but still the point. three Misses Vickers painted the same year each have the individual qualities that America was only one aspect style, which led to Art Nouveau distinguish portraits. Also, there is a sense of the 1870s, for collecting and Crafts movement, and William of ambience, of three sisters displaying the fine and decora- Merritt Chase's 1880 painting having just finished their tea, tive arts. This flowering, a of his own studio with a heavy with good porcelain and silver mania subscribed to by both Renaissance cabinet, modern

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APRIL ISSUE

in the background. like "Millicent, Duchess of Movement and affected every lapping one another certainly comparison with other family to homes of more modest means. Do with Our Walls?"

American style became soli-dified at the Philadelphia borough. But in America he centennial Exhibition of 1876 was seen on his own, and no the Metropolitan Museum of Art

is that the furniture, textiles, stained glass, wallpapers, ceramics, paintings and sculptures are displayed in isolated ingenuity has come under close scrutiny recently by historians and museum curators; and in three current exhibitions, the artifacts of this style are being celebrated and appreciated by a public that has been renewing formal fashions.

One can imagine what imspression the Philadelphia exhibition made on the artist, John Singer Sargent, when he saw it on his first visit to America at age 20. Born of American parents in Florence, Sargent was a product of the refined and untroubled cultivated European life his friend and fellow cornelizate Henry Lames not seen in architecture he saw it facades that also called upon cornelizate Henry Lames not seen in admitted in stand tired of portrait admitted in 1907, "I have long been sick and tired of portrait painting," the exhibition demonstrates it is what he did best — the pressure of performance bore results. Weak are the sections with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes, where a loss of focus with his impressionistic landscapes with his impressionistic landscapes with his impressionistic land specialised in ornamenting every surface, and an ebonised cherry cabinet of theirs with marquetry and gilt is a dic-tionary of decorative motifs: panels of berries and leaves, facades that also called upon his skill of manipulating light on surface, as in "The Marble Fountain at Aranjuez, Spain" and the "Church of St Stäe, Venice." In a class by itself is cranes and the sunflowers ubiquitous to that time. Louis "In the Luxembourg Gardens": a broad expanse of luminous Comfort Tiffany, one of the designers who made up Associ-ated Artists, worked with everylavender-grey twilight still typical of Paris; moonlight reflected in a pool; the glowing ember of a man's cigarette and ing from coloured glass to silver, incorporating as others

A word about the current fashion of catalogues with mul-tiple essays each on a narrow aspect of the work but still by necessity overlapping with the same information. What happened to the single strong curatorial viewpoint with which one either agreed or disagreed? In the case of the Sargent catamore informative), it sends one running to the library for but blank profile and mik-white skin, it was fortunately the weapon Mr Sargent wields."

the woman on his arm a sug-gestion of pink; and in a band across the middle field, the

ghostly statues of the French

Sargent's popularity in the major proponents of this the greatest of the new consciousness, born and the American Arts and artists and consumers, had its ceramics, a classical bust and The stylised British portraits roots in the British Aesthetics patterned wall hangings over-Sutherland," painted against a detail in the wealthy urban answers the question posed by landscape, and "The Wyndham house, but filtered down quickly Clarence Cook's pamphlet of Sisters," were calculated for enough in a democratic society the same year: "What Shall We Losing Venice/Almeida

Claire Armitstead

En route now for Hong Kong, not a fable or an allegory; that Jenny Kilick's Traverse Theatre its primary purpose is not to production sheds its load of explore issues but to create a fantasy and adventure briefly on London, raising the inevitable question: is it as good as it's cracked up to be?

The answer, in some respects, is yes. Simply and effectively set by Dermot Hayes against an airy white pavilion.

clearly not going to lie down impact.

John Clifford's Losing Venice and be conquered. The pos-has enjoyed an afterilie that sible parallels with post-colonial must be the dream of every Britain abound, but lest it Edinburgh festival hopeful. Since carrying off a fringe first in 1985 it has gone international. gramme note that the play is explore issues but to create a theatre of pleasure."

There is certainly pleasure to be had along the way: from Bernard Doherty's rubber-faced poet Quevedo nervously licking his lips or fulminating at Petrarch for inventing the tively set by Dermot Haves against an airy white paylion, the play follows the fortunes of a duke, a poet and his servant from Spain to Italy on a crazy mission to save 17th century Venice from the Turks and itself. They come from an old world obsessed with its own military importance, whose senescent value system extends to a king who sleeps with a corpse, an aristocrat who can't procreate and a poet who can't think of anything positive to write about.

The duke, we learn, is a famous war hero—notwith famous war hero - notwith- heart of power, the duke disstanding our first encounter appears down an oubliette, only with him in a funny-walk to reappear in Spain a forgotwedding procession with a ten man. The wizardly ultibookish, frigid duchess who is mately undercuts the dramatic

St Martin's moves to Wapping

the-Fields is moving to Dock-lands. The orchestra is planning lands. The orchestra is planning to take over the old Pumping Station at Wapping and convert it, at a cost of £5m, into a recording studio and a rehearsal room. Work on the scheme should start in April, with the orchestra already planning a gala concert in its new home in the autumn of 1988.

The orchestra has always been

own money into the conversion. (It earned £200,000 from the successful recording of the soundtrack of the film Amadeus, and it was this windfall which persuaded it to look for a London home). Another a London home). Another \$250,000 is promised from the Docklands Development Corporation which is delighted to their \$5000 the maximum pay. poration, which is delighted to have such a cultured incomer

as is the interior of Mark Twain's house in Hartford, Connecticut, also designed by Assoexhaustive and exhausting, though in this case an encyclopaedic listing of the artists in -and a purposce built studio would meet a strong demand. The Academy itself makes 16 recordings a year but could double that number if suitable included in the capition for his islamic-style deep blue, turquoise and white vase: simply that he visited Lord Leighton's house and saw William de Morgan's bowls and vases. recording space was available. The rehearsal room will be a separate structure.

The Pumping Station, which was built in 1880, is an attractive ivy clad building close to the Prospect of Whitby pub. It The artists themselves were will not, however, be licensed for public concerts, although the Academy intends to hold private recitals there, and also private recitals there, and also build up an extensive educational and community programme. It has recently become one of the three music groups in residence at the South Bank and has plans to hold public rehearsals in Wapping, then transport the audience by boat to the South Bank for the finished performance.

The Academy also intends to play a wider repertoire from its origins in the Baroque, increas-

origins in the Baroque, increas

ing its numbers from a current upper limit of about 50 musicians to 70. Unlike the other major London orchestras, it does not receive, or expect, any public subsidy.

To they that have shall be given . . . says the Public Lending Right Act, and yester-The orchestra has always been financially self-sufficient, and is investing up to £600,000 of its the Government's school of the convergence of th reward authors for the exploita-tion of their books through the

— Wildly Smith, Dick Francis, Jeffrey Archer etc—will get their £5,000, the maximum pay out. There is a slight reduction on the 63 who qualified for the jackpot in the previous year. Of the select, 24 are romantic novelists, and seven writers and

1.27p in the previous year. In the normal restrictions of polite all, the Public Lending Right society are unexpectedly redistributed £2.4m.
The Government has frozen

its expenditure in this area for 1986-87 for the third successive year—it is £2.85m, although there are promises from Mr Richard Luce, Minister for the Arts, of a real increase next year. The scheme gathers its data on library borrowings from a sample of 20 libraries, and changes in the libraries surveyed can affect the earnsings of authors: in 1985-86 the libraries included seem to spend more of their resources on children's books.

In all there are 622m loans from libraries, but only 223m, of these contribute to the Public Lending Right. Books by dead, or foreign, authors obviously are not covered by the scheme.

Antony Thorncroft

## Carnegie Hall revisited

**Andrew Porter** 

I must chase my first report on the gala reopening of Carnegle Hall with happier news. At the first concert, everything sonic was smeared, sullied, thrown out of focus by the loud whirring of television's fan-cooled lights. One tried to make allowances, but concern that the hall's famous acoustics had been altered was widespread. Now, two subsequent concerts have allayed those

fears. All seems well.

I say "seems," because I have
still to hear a full-scale symphony orchestra play in the
renovated hall. Itzhak Periman's recital showed that the intimacy in chamber music remains. William Tuthill, the 1891 architect, achieved a miracle: gathered nearly 3,000 people into a room where acoustics and sightlines combine to make one feel close to the music. Perl-man's recital—Jonathan Feld-

impromptu affair, assembled when Daniel Barenboim, due to A Leclair sonata, the Brahms
D-minor, and then a handful of encore pieces: I moved from my mid-stall seat to stand at the back. Perlman ended the furnishment of the pieces and the furnishment of the furn dance from Orphée in a fine-grained pianissimo, which remained beautifully audible until the last morendo note faded. He

announced the programme from the stage, and the speaking voice carried easily.

The Orchestra of St Luke's, conducted by Michael Trison Thomas, gave the first orchestral concert: the "Paris" symphony, Mahler's Rückert songs (Marilyn Horne the soloist), and the Eroica. More Mahler-the Second Symphony

man the accompanist-was an the next two days: Mahler four days running to open the hall! (Things become more harmonic on opening night, which was strung from side to side along the front, to leave room for the chorus behind. It was bright, warm, forward, and well-balanced.

Apologies for two misstatements in my initial report, caused by misreading a press release. The platform size has not been diminished "to improve the acoustics," and the rake of the floor has not been significantly changed "to improve sightlines." That's what is happening in

Charley's Aunt/Oxford Playhouse

B. A. Young



Sophie Speller, Charles Millham and Nicola King in "Charley's Aunt"

There is only one joke in on, it seemed likely that the charley's Aunt, the impersonation of Charles Wykeham's aunt from Brazil, where the nuts as Hamlet, and each time the wears a highly anachronistic hat

I said that Mr Millham's per-formance was good fortune, be-

the Museums Commission and illustrators of children's books, are graduate Lord Fancourt Bability farce contrives to have about him his costume for a group that did particularly well last year.

At the other extreme are the the work authors who will receive who happens to have the last year it spent three less than £100, many getting the minimum payment of £1 months on four, is confident that it can produce the cash: and make a profit from its Wapping operation. There are only two adequate recording studios in London — Abbey Road and the Henry Wood Hall—and a purposce built studio would meet a proper to the cash: and a purposce built studio would meet a proper to the cash: and make a profit from its wapping operation. There are only two adequate recording studios in London — Abbey Road and the Henry Wood Hall—and a purposce built studio would meet a proper to the cash: and produce the cash: and produce the cash: and make a profit from its wapping operation. There are only two adequate recording studios in London — Abbey Road and the Henry Wood Hall—and a purposce built studio would meet a proper to the contrivent of the first part of the first par over 1,700 signing on last year—the amount they receive for each loan declines—it was just 1.20p in 1985-86, compared with 1.27p in the previous year. In insult Brassett as if it were a stage in search of the false duty they have to overcome be Donna Lucia: Brian Abbott fore they can get to the farce (as indeed it is.).

cause before he got his costume rises. The serious characters evidently think him.

Donna Lucia; Brian Abbott makes Brassett as unworthy a With the second act the sun servant as Jack and Charles

## Siegfried Sassoon/Hampstead

**Martin Hoyle** 

this compilation of poetry and autobiography takes us up only to the end of the First World War. The actor explains how he discovered the works of Sassoon as a schoolboy, and a then begins, "From now on all everything I say will be written by him."

Engaging memories of a turn-

Peter Barkworth's one-man show is subtitled The Story of the Young Soldier Poet; and

marred only by the rist between sary to act out the war poems beloved parents Mamsy and (stretched flat on the stage to solaced by an imaginary companion, writes poetry ("O haggard, weary, lifeworn soul harshness with a charming childhood poem of introspection flat him at his of introspection fla a charming childhood poem about childhood by the adult Sassoon. A golden Edwardian youth—riding, village cricket, wherean's adventure of anger, and pity for the

January 2-8 Cambridge friend, "yellow-haired Tommy," Sassoon realises that he is now truly capable of killing.
Sassoon, possibly, but not Mr

Barkworth. whose innate gentleness and courtesy make him the best exponent in the Warm, kindly and direct. To and sentimentalising the piece; stiffen the sinews and summon then finally with clam relief.

of-the-century childhood are up the blood he finds it neces-marred only by the rift between sary to act out the war poems borough—leads to the euphoric conviction that there is much worth fighting for when the fun their sons would be fund thei breaks out.

The "safe world, sure to be the same tomorrow, next year" changes. He meets Robert Graves ("very much disliked"); his brother dies after Gallipoli; and after the funeral of a Cambridge friend, "yellow-haired" Towns would have at the front (he spaces out "those impotent...old ... friends of mine" with beautifully unexaggerated deliberateness); and the friendship struck up with Wilfred Owen while recovering from supposed shellshock at Craiglockhart.

Both the strengths and dangers of Mr Barkworth's approach are seen in his treatment of "Suddenly everyone burst out singing." He speaks it twice, once "acted" with hands and arm gestures, theatre of civilised virtues. perilously near to softening Warm, kindly and direct. To and sentimentalising the piece:



Peter Barkworth as Siegfried Sassoon

# Arts Guide

did the influences of the past from ancient Greece to

medieval Europe and the more contemporary preoccupation with Japan and the Near East.

The heavy wrought-iron candel-abra he designed for the Seventh Regiment Armoury in New York has been borrowed

from a room that is still intact

ciated Artists.

Music/Monday. Opers and Ballet/Tussday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

Venice: Palazzo Ducale: China In Ven-ice: Chinese Civilisation from the Han Dynasty to Marco Polo (25-1279 AD): 150 objects, including silks, brocades, jewellery, terracotta figures, glass and porcelain lent by the Peking Museum, Many result from recent excavation, and most have never been out of China. The exhibition covers the main period of Chinese art, and the objects found in tembs, buried with the owner for his use in the hereafter, shed a fascinating light on life in the period. Ends March 1987.

NETHERLÁNOS

aren, Singer Museum, Glass crea-tions by Sybren Valkema. Ends Jan

roningen, Groninger Museum. The use of colour in modern European cinre from 1910 to the present Rade Jan 25.

steve: After important exhibitions in Germany, Switzerland and Scandistract French artist born in 1904. The retrospective consists of 116 paintings, 50 watercolours, nearly as many drawings, some collages and tapestries and shows Esteve's development. Infinenced at first by Cubism and fascinated by Cezam he continues obstinately on his own colitary road until he achieves an equilibrium between a rigorous position and an explosion of colours Grand Palais, Closed Tue, Ends Jan 12 (4256 0924).

Musée d'Orsay. The spectacular mu-seum of the 19th century is situated opposite the Tulleries Gardens withgiass-roofed wault of the wast Belle Epoque railway station. It houses paintings, sculptures, objets d'art and photographs from the end of the romantic period to the beginnings of modern art and the impressionist and Post-Impressionist collections formerly in the Jeu de Paume. Here they are counterbalanced by academic painters, their contemporaries, long derided for their pomposity.

heir pomposity. The sculptures come into their own in the immensity of the nave, at the end of which is a large-scale model of the opera and its district below glass tiles. The view of Paris from the terraces is an additional delight. Musée d'Orsay, Entrance 1, rue de Bellechasse (4549 4814).

> **WEST GERMANY** ter, Westfälisches Land

seum, Dompletz 10: August Macke: To mark the 100th anniversary of his birthday, the museum, helped by the Macke archive and sponsored the Macke archive and sponsored by the estate of Northrhein West-phalia, is displaying 160 paintings, 130 pictures, 70 watercolours and documents. Macke, boxa in Mes-chede (Westphalia), studied in Dusseldorf and Berlin under Lovis Corinth. He was responsible for a new art form before the First World War. In the spring of 1914, he went with Paul Klee and Louis Moilliet to Tunis. In the same year, he was sent to the front in France, and died in action in Champagne. Ends Feb 2. Iannever, Sprengel Museum Kurt-

Schwitters-Platz: Pablo Picasso, the exhibition is the most complete display of Picasso's works seen in Germany, showing the 417 pieces donated in 1989 by the industrialist Bernhard Sprengel. Sprengel, who died last year, was Germany's leading collector of Picasso's works. The exhibition, with 400 graphic art prints and 17 oil paintings covers the artist's complete artistic range from 1904 to 1988, spenning cubism, classicism and sucrealism, as well as Picasso's most recent works. Ends Mar 15, Ends Mar 15.

Madrid: Julio Gonzalez (1878-1942), Spenish cubist scurped with Picasso the top exponent of this movement, 50 sculptures and 70 drawings on loan by the Ivam, Va-lencia's modern art museum. Ends Dec 30. Also Miro sculptures (1893-1983): 100 sculptures and 140 drawings on loan by Moma. Georges Pompidou, Miro Foundation and private collections offer a vision of Miro's sculptures of 1930-1970. Ends Jan 20. Both at Centro de Arte Bei-na Sofia, Senta Isabel 2. Open Tua to Sun: 10.00-21.00. Closed Mondays.

Gold and Power - Spain in the new world: To mark the 500th anniverworks: 10 mark the 3000 anniver-sary of the discovery of the Ameri-cas, this huge exhibition of trea-sures from the Museum of America in Madrid tells the story of the Spanish conquest. The collection, seen for the first time outside Spain, includes ornaments and utensils of indigenous Americans.

conquest, resours of Jesun initialini in Paraguay and stimning gold sta-tues and jewellery from a land my-thologised as El Dorado, Vienna is the first stop for this exhibition, which will later travel to Cologne and Budapest. Kunstlerhaus. Ends

merican Pop Culture Images Today with works of 50 American artists the exhibition also features a live concert, videos, junk food corner and other aspects of the American prafted on to Japan's youth culture by now, the exhibition should reveal the extent to which the original base. by now, me exhibition should reveal the extent to which the original has been changed for Japanese taste, i.e., japanised. La Foret Museum in Harajuku. (475 0411). Ends Jan 17.

from the end of Van Gogh's life are the focus of this second of a two part show of the prolific artist at Saintmy and Auvers. The Starry Night and Cypresses come from this peri-od working first in an asylum in Seint-Remy and then in Auvers, 1890, Ends March 22.

Art Institute: The art of Italian Ren sissance armourers, with suits em-bossed with Greek and Roman delties and fantastic creatures of the artists' imagination, is on display in a special exhibit of French king Henry II's armour borrowed from

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# **FINANCIAL TIMES**

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Thursday January 8 1987

# EMS without co-operation

System underlines the depth of international disquiet at the thrust of West German economic policy. Mr Jacques Chirac knows full well that the last thing Mr Helmut Kohl needs in the run up to a general election is turnoil on the foreign exchange markets. Mr Chirac is under intense domestic pressure as a result of strikes pressure as a result of strikes in the public sector and might reasonably have expected EMS partners to rally round to hold up the franc. West Germany, it appears, has been singularly unhelpful during this crisis— Mr Chirac's word is "selfish" —and the French have allowed the franc to bit its lower limit in order to oblige the Bundesbank to take some of the strain.

The West German intransigence and the French namecalling are scarcely an adver-tisement for the EMS as a zone of currency tranquility. Indeed, by ignoring warning signs and allowing a public row to break out, the West Germans have weakened their often eloquent case for full British membership of the system. The spec-tacle of a Bonn-Paris shouting match is hardly likely to lessen Mrs Thatcher's fears about the possible political costs of EMS entry.

Tight policies

The root causes of the tension in the EMS are the weakness of the dollar and the tightness of West German economic policy. When the dollar was strong, the EMS was stable: there was no realignment between early 1983 and the middle of 1985 largely because substantial capital flows to the US exerted downward pressure on the D-Mark vis-a-vis other member currencies. The shift in parities now threatened will an indication of the fact that the D-Mark gains disproportionately when investors lose confidence in the dollar.

THE OPEN row between Paris France's trade deficit with and Bonn over the need for a West Germany has been rising revaluation of the D-Mark steadily. It averages FFr 3.6bn within the European Monetary a month in the first 11 months of 1986 against only FFr 24bn a month in 1985; last November's shortfall was FFr 4.1bn. Falling consumer prices in West Germany have led to a widening of the cumulative inflation differential between the two

> The scale of the D-Mark revaluation required depends on the extent to which West Germany is willing to loosen macroeconomic policies after the election. The faster West Germany grows, the more other European countries can expand without running into balance of payments difficulties. There can be no doubt that West German policies are still tight. The OECD calculates that the fiscal impulse in 1987, after adjustment for inflation and the economic cycle will be worth a economic cycle, will be worth a paltry 0.1 per cent of GNP. This is weaker than in 1986 and much weaker than the stimulus applied to the UK economy by Mr Lawson in 1983 and 1984.

Growth path The chorus of voices calling

for a change of policies in Bonn is growing louder by the month, Last summer, Mr James Baker, the US Treasury Secretary, was almost alone in claiming that Bonn needed both to cut interest rates and to provide a bigger fiscal stimulus. He has since been joined not just by the French but also by Mr Kohl's own junior coalition partners, the Free Democrats. Count Otto Lambsdorff, the former economics minister, is now arguing that the West German economy will not reach its targeted growth rate of 2.5 per cent this year unless the economy is given a stimulus. Both the IMF and the OECD have alluded to Bonn's ined scope for expansionary policies

economic institutes projecting growth of only 1.5 per cent in 1987 and rising unemployment, The French are talking about the case for a change of tack is the need for a revaluation of stronger than ever. The chal-the D-Mark of no more than 4 lenge for Mr Kohl is not just to per cent against weaker EMS get West Germany firmly on to currencies. This looks, if anything, on the low side, The demonstrate its willingness to effective 6 per cent devaluation support other EMS members. of the French franc in April The harmonisation of currencies 1986 had only a limited effect requires co-operation, not conon French competitiveness: frontation.

# Mr. Chirac on the defensive

THE PROLONGED strike by capacity to deal with the present French railway workers and its wave of industrial strikes supextension to other public-sector ported, if not always initiated, areas, without any signs of a by long-quiescent trade unions, quick settlement, has had the which have taken full advantage quick settlement, has had the which have taken tuil advantage of the Prime Minister's unfranc under severe pressure. It is understandable, though hardly diplomatic, given the close relationship between France and West Germany, that Mr Jacques Chirac, the beleagured French Prime Minister's understandable, though hardly diplomatic, given the belief the mistorium of the limitation of pay including the limitation of pay increases in the public sector to leagured French Prime Minister's understandable, though the will not abandon his strict anti-inflationary policy, including the limitation of pay increases in the public sector to leagured French Prime Minister's understandable, though hardly diplomatic, given the will not abandon his strict anti-inflationary policy, including the limitation of pay increases in the public sector to leagured French Prime Minister's understandable, though hardly diplomatic, given the will not abandon his strict anti-inflationary policy, including the limitation of pay including th blame for the misfortunes of much conviction as they once the franc on Bonn. That, to-would have done. After all, he gether with emphatic denials has already agreed to suspend that the Paris Government has the Government's merit-based any intention of devaluing the pay and promotion scheme for currency, is a familiar French rail employees, in the vain hope tactic on the eve of a possible that the strikers would drop realignment within the ex-change rate mechanism of the European Monetary System Progress made

the object of fierce criticism from his political opponents and even allies for his domesfor him to switch public atten-tion to a foreign "miscreant."

Though his criticisms of German economic policy are cer-tainly shared by others, notably the US Administration, even the most committed supporters of the French Government would find it hard to deny that Mr Chirac must shoulder some of the blame for his country's

woes.

The withdrawal by the Government of its plans for university reform under the pressure of massive student protesty.

Reputation dented

After a good start following the centre-right coalition's election victory last March, which saw the introduction of a programme of privatisation of the nationalised banks and some of the big industrial companies brought under state control by ment has also given President.

students, whose opposition to hanced. If Mr Chirac is to university reform and capacity fulfil his presidential ambitions to mobilise huge numbers of in 1988, he will have to demon-protesters he had completely strate more firmness and better underestimated. Worse still, political judgment than he has this setback has weakened his over the past few weeks.

France's economic health and At a time when Mr Chirac is his own political prospects will his own political prospects will not allow Mr Chirac to make many more compromises of a fundamental nature. Public sector pay, involving as it does some 4.5m employees, is the linchpin of the Government's anti-inflation programme. Commendable progress has already been made in bringing down French inflation to little more than 2 per cent in 1986. Yet this is still too high given the three-point gap between the French rate and that of West Germany, France's biggest trading partner, whose bilateral trade surplus with its neighbour across the Rhine has been rising by leaps and bounds.

No doubt Mr Chirac will have

of massive student protests, followed immediately by a period of widespread industrial unrest, has undoubtedly played its part in undermining international confidence in the france and the French economy.

No upunt in the rail and other public-sector workers before they agree to end their strikes. But the worst thing that could happen is another "Grenelle" agreement the name of the deal continuation.

brought under state control by the previous Socialist government, Mr Chirac seems to have lost his touch.

Inc usarray of the Government has also given President Mitterrand more room to undermine Mr Chirac's position, while the stature of some other Inst his touch.

The Prime Minister's reputation as a tough politician who would stick to his guns come what may was badly dented when he backed down before the when he backed down before the whole of the backed down before the whole of the backed down before the whole of the backed down before the backed down before the whole of the backed down before the presidency, like former Presidency, like former Presidency, like former Presidency, like former Presidency and the backed down before the backed d

WEST GERMANY's big banks could face legislation designed to curb their spreading influence over the country's economy after this month's general election.

The banks have come under heavy pressure from both left critics allege is a dangerously strong influence over events, both industrial and political, well beyond their immediate

These criticisms contrast with the admiration often expressed in the UK for the long-term relationship between German banks and companies, compared with the alleged "short-termism" of British financial

Accusations that the banks have put a damper on industrial competition because of their involvement in large mergers have intensified. Officials in the Economics Ministry in Bonn say an attempt may be made this year to bring in new laws to restrict bank holdings in industry.

The prospect of this happening appeared to strengthen last month when an influential advisory body to the ministry, the 29-member Academic Advisory Council, attacked the influence banks have over the advisory body to the ministry, the 29-member Academic Advisory Council, attacked the influence banks have over the way companies raise money.

Mr Wolfgang Roth, chief economics spokesman of the opposition Social Democrats, has described the spread of the banks' influence as breathtaking. The liberal Free Democrats, junior partners in the cut their industrial holdings to more than 5 per cent in any one company outside the banking sector. It was the second time in a decade that the commission had made such a report in the mid-1970s high-lighting the desirability of greater competition — so far to no avail. crats, junior partners in Chancellor Helmut Kohl's strong support for its 5 per cent government, favour legislation to curb their power. Even in Mr Kohl's conservative which has argued that the banking sys-Mr Kohl's conservative Christian Democrat (CDU) party, an important faction has been voicing concern. The West German Monopoly Commission has also called for banks to reduce their equity

positions in industry.

The influence of the banks is ubiquitous. They are share-holders in and creditors to industry, as well as its stock-brokers. They own or super-vise huge tracts of the West German economy and are immally strict cartel laws. Deutsche Bank has equity stakes worth an estimated DM 13bn in industry, and al-

Dangerously strong influence over industrial events

though the Dresdner and Com-merzbank weigh in well behind at DM 3bn and DM 2.5bn respectively, they are nonetheless powerful. Their influence over company

decision-making is not limited to this, however. Under West German law, the banks may exercise a proxy vote on behalf of investors not able or willing to attend shareholders' meetings. As foreign investors have flocked to the German stock markets, the proportion of absentee shareholders has risen and the banks have accumulated more and more proxy

of almost every significant some glee in the ministry, manufacturing, trading or retailing company in the by the liberal Free Democrats tives on the supervisory boards

Members of Deutsche Bank's main board sit on the supervisory boards of most big com-petitors in West Germany's power generation, retailing, steel, chemicals, industrial gas, sugar supply, oil, cement, elecWEST GERMANY'S BANKS

# The political pressures are starting to tell

By Peter Bruce

sion of public unease at the financiers' role was made by the largely independent Monopoly Commission, which argued that the banks should be forced to cut their industrial holdings to

term share ownership in com-panies is disturbing mainly because their role as creditor en-ables them to enjoy a clear in-formation advantage in the (equity) market," said the

The banks are clearly ratiled. In response to the commission's contention that, since its earlier report, "the concentration of power about the banks has intensified." The federal Association of German Banks, which represents the private banks — led by Deutsche Bank, Dresdner Bank and Commerciank — quickly fired off an aggrieved letter to the Economics Ministry. It condemned the com-

mission's report as "untested and in appropriate" and claimed that the banks had reduced the number of companies in which they owned stakes of more than 25 per cent by 40, while adding only three since the earlier commission report. Some would argue that the important thing was that the important thing was that the letter was written at all. The association is probably the most secretive and powerful chib in the land. Socialists and lib-erals have been trying for decades to prise it open and the response to the commission. report was a first crack in the silent facade An official at the Economics

Ministry said with a chuckle:
"They should never have Writ-What they do not own, they supervise. The country's multi-purpose banks have representaby the liberal Free Democrats (FDP), junior partners in the

coalition and home to the country's only serious deregulators. For them, no target could be quite as appealing as "The federation's reply shows in an impressive way that in

trical engineering and computer sectors.

As virtually the country's only stockbrokers, the banks have been able to ensure that quoted West German companies are not prey to hostile takeover attempts.

The clearest recent expression of public unease at the sectors of public unease at the sectors.

the past 10 years much reductivel, says is legendary.

But the 25 per cunt stake is also something of a red the area (of equity stakes) between 5 per cent and 25 per cent can be hugely influential and are understood to have become more popular as the banks try to escape the banks try to escape the sectors.

Schmitt-Boelkow-Blohm (MBB), prodded my Mr Franz Josef, tried to buy a struggling tank between 5 per cent and 25 per cent can be hugely influential and are understood to have become more popular as the banks try to escape the sectors.

The clearest recent expression of public unease at the sectors.

The past 10 years much reduction has been achieved, says is legendary.

But the 25 per cent stake builder, Krauss Maffei, which between 5 per cent and 25 per cent can be hugely influential and are understood to have none of it, citing an unwarranted concentration of power in the arms industry.

Financiers have been known.

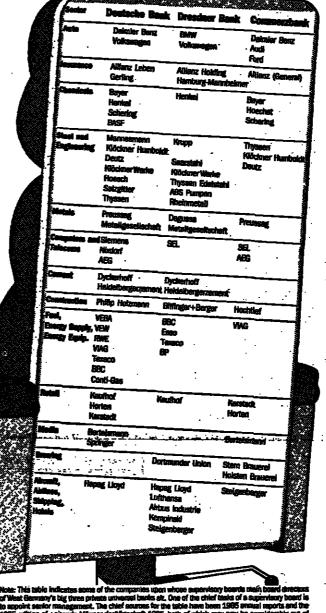
tions on supervisory boards nor on proxy voting."

The ministry has set itself a difficult, if not impossible, task. The 25 per cent stake is a magic number in West Germany because it triggers an automatic investigation by the cartel office in Berlin—run by Mr Wolfgang Kartte, whose criticism.

Financiers have been known, for instance, to help their industrial or political friends to avoid Dr Kartte's prying eyes by buying equity in a company over and above a stake of under 25 per cent taken by their clients.

This happened when the aerospace concern, Messer-

## BANKERS ON THE BOARD



Mr Strauss called in the

banks, with the result that MBB and another Bayarian arms producer now own 50 per cent each of a consortium that owns 24.95 per cent of Krauss Maffel. A Bavarian government financial holding has 31 per cent but the key stakes are ones of around 10 per cent each held by Deutsche Bank, Dresdner Bank

and Bayerische Vereinsbank. The Monopoly Commission indirectly criticised the banks by lamenting the apparent inability of the cartel authorities to stop large mergers like the acquisition of the electricals the acquisition of the electricals group AEG earlier this year by Daimler Benz, creating the country's biggest company. Deutsche Bank owns more than 25 per cent of Daimler and has been accused by the political left and in some business and financial circles of having arranged the deal.

The commission report concluded: "The non-prohibition of the Daimler-Benz AEG merger raises the question of whether current laws allow for

whether current laws allow for sufficient control over large mergers."

"It will be very hard to get the information," says the Economics Ministry official.

"The banks are trying to kill the discussion." Re hints, nevertheless, that an attempt might be made. probably might be made, probably through the FDP should it retain a place in government after the general election, to formulate legislation that will curb bank influence.

This could be done through the country's credit laws but, he says: "Our preference would be to impose the cartel laws, although this would be very ambitious politically."

There is some opposition in the ministry to receiving to logicle. ministry to resorting to legisla-tion particularly from Mr Otto Schlecht, its senior bureaucrat, who opposes excessive regula-

For one member of the Deutsche Bank board at least, this does not sound like idle talk. "I'm sure they will do something," he says. "Person-ally, I would love to cut the I sit on from 10 to five."

Confronted with questions

namics to make their annual pantes to make their annual reports available early to foreign shareholders in appro-priate languages, to motivate them to take up their right to

The bankers are eager to point out that they are not always listened to. In the early 1980s, the steel industry turned up its nose at a restructuring plan drawn up in part by Mr. Alfred Herrhausen, and Dresdner Bank appears to have had little success in its efforts to persuade the Quandt family to sell off at least part of its 66 per cent holding in BMW, the car-maker.

Bank profits, helped first by their dollar business before the US currency's fall and later by a flourish of activity in the country's once docile stock markets, are at record highs.

"We are always attacked when we are making money," sighs a Frankfurt banker, "but when times are hard everyone is glad we are around." Bank rescues, like the one in 1978 of Nixdorf and in 1982 of AEG. comfort industrialists.

" Mannesmann would not exist had Deutsche Bank not stuck by us in the first difficult years of our existence," says Mannesmann chairman Mr Werner Dieter. "The exaggeration of the indiance of the banks are form of the indiance of the banks are form. comes from a certain politica direction."

And although Deutsche Bani and Dresdner Bank control Hapag-Lloyd, West Germany's biggest shipping line, the group's chairman, Mr Hans group's chairman. Mr Hans
Kruse, insists that he is still able
to shop around for credit when
he needs it. "You have to know
how to play the game," he says.

Quite what the shadow boxing between the banks and
their critics will lead to is unclear. The credit industry is split. The savings banks have called for all credit institutions to cut their industrial holdings. The Landesbanks, owned by the different federal states, operate as multi-purpose

banks but have special respon-sibilities towards industry. Not even the members of the federation, the private banks, are united. The higger banks complain they are under-represented and that the smaller federation

We are always attacked when we are making money

are the real brake on lifting secrecy and regulation. Nonetheless, Deutsche Bank and Dresdner Bank appear to be trying to back away from industrial equity, in the hope of being able to concentrate on investment banking at home and abroad.

But in Bavaria the banks are not so sure: "You have to be pragmatic," says a Bayerische Vereinsbank board member, meaning that the bank should be prepared to step in with unber of supervisory boards equity when a company needs

The deepest division, howabout whether they are too ever, may be between Deutsche powerful, bankers are beginning Bank and the rest. Its 1986 to put the backs of their hands operating profit will be to their foreheads and complain more than four times that of that it is all too much. "If I Dresdner Bank, its nearest rival that it is all too much. "If I hear any more about the power and its size and success cast one Deutsche Bank director.

Nonetheless, the banks feel themselves on the defensive. This was illustrated neatly recently when Deutsche Bank appealed to shareholders to attend meetings and to com-

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## Alcatel casts a wide net

Alcatel, the new European telecommunications group formed by CGE of France and IIT of the US, could hardly have flung its net wider in its attempt to form a broadly-based inter-national supervisory board. In an apparent attempt to overcome the impression that it is fundamentally a French organisation, masquerading in panturopean clothing, it has brought in Viscount Ettenne Davignon, the former European industry commissioner, alongindustry commissioner, alongside Alexander Haig, ex-US
Secretary of State, Lawrence
Eagleburger, the American diplomat, and Count Otto Lambsdorff, former West German
economics minister. Rand
Araskog, the ITT chairman, will
head the board.
Beneath this distinguished
gathering, however, much of the
ton operational management is

top operational management is French, with day-to-day control in the hands of Philippe Gluntz, who formerly ran CGE's Alsthom engineering sub-sidiary, Gluntz has already won

"The cabin creaw will now demonstrate the emergency equipment and how to fill in your share application

## **Men and Matters**

the admiration of ITT execu- [ "It is a unique opportunity fencing with journalists at the company's press conference in

Brussels.
Gluntz, 46, is in some ways a typical product of the French system, with a career that spans economic planning as a civil servant, teaching as a professor at the exclusive Ecole Nationale d'Administration, and experience in industry in sion. A chartered civil engineer, he is new to telecommunications, but colleagues say that he learns very fast, is an excellent strategist, and has a very open attitude towards the rest of the world. He speaks English, German and Russian.

## Good talkers

Mrs Thatcher may not be famous for her enthusiasm for women's groups, but tonight she will go some way towards refuting such criticism when she hosts an all-women dinner at 10 Downing Street for the Women's Advertising Club of

Greeting the 50 guests from advertising, marketing, and communications, with the Prime Minister will be Baroness Trumpington and Baroness Bernard Ingham, the prime

minister's press man, will be the token representative of invited for top level talks.

tives, many of whom may not be staying with the new group, for his urbanity and warmth— much on display yesterday in which affect both our business Minister issues of the day which affect both our business and our personal lives," says Lyndy Payne, the club presi-dent, who runs the Advertising Agency Register.

Ingham will be relieved to head that the conversation is expected to range far beyond Harvey Nichols' sale. The agenda is likely to include tax reforms, housing, rates reform, US restrictions upon EEC exports, and the importance and performance of service indus-

## irish promotion

With most people in Dublin betting that Dr Garret Fitz-gerald's Fine Gael-Labour coalition will finally crumble over the budget due at the end of the month, no move in public life can occur without a political complexion being put

So it was yesterday when Sean Donlon, the youthful head of the department of foreign affairs, and a key figure in the negotiation of the 1985 Anglo-Irish Agreement, resigned to take up a senior post in Tony Ryan's highly successful. Shan-non-based, aircraft leasing company, GPA. He is to become executive vice-president with responsibility for formulating corporate strategy.

For a man of 46 who has

the token representative of British manhood.

Whatever Mrs Thatcher's rationale may have been in inviting such a highly articulate group of women, there is no doubt that the club is delighted to be the first women's communications group to he invited for top level talks.

For a man of 46 who has reached the top of the diplomatic profession it represents a challenging career change. But received political wisdom says there is more to it than that, and has tied the move of firmly to the Irish general election expected next month. Donlon was previously ambassador to Weshinstein. Donlon was previously ambassador to Washington

where he helped cement sup-port for Dublin's approach to Northern Ireland from "the four horsemen" of prominent Irish-American democrats former house speaker Tip O'Neill, senators Edward Ken-nedy and Patrick Moynihan, and former New York Governor Hugh Carey.

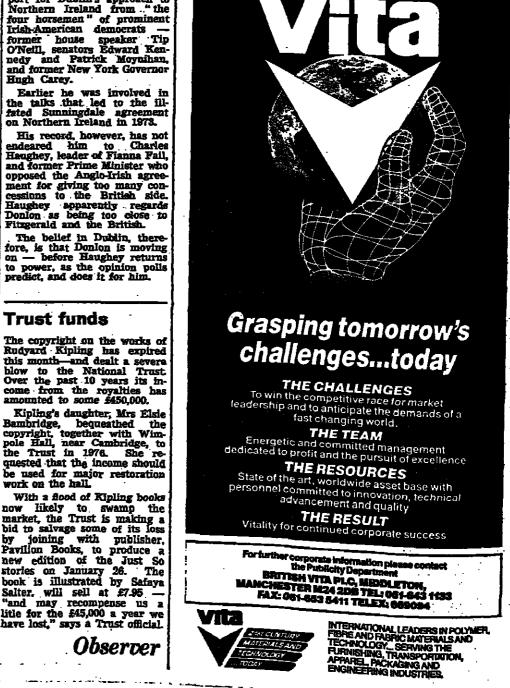
Earlier he was involved in the talks that led to the ill-fated Sunningdale agreement on Northern Ireland in 1973. His record, however, has not

endeared him to Charles Haughey, leader of Fianna Fail, and former Prime Minister who opposed the Anglo-Irish agreement for giving too many con-cessions to the British side. Haughey apparently regards Donlon as being too close to Fitzgerald and the British. The belief in Dublin, there-fore, is that Donlon is moving on — before Haughey returns to power, as the opinion polls predict, and does it for him.

## Trust funds The copyright on the works of

Rudyard Kipling has expired this month—and dealt a severe blow to the National Trust.
Over the past 10 years its income from the royalties has amounted to some \$450,000. Kipling's daughter, Mrs Elsie Bambridge, bequeathed the copyright, together with Wimpole Hall, near Cambridge, to the Trust in 1976. She requested that the income should be used for major perfections.

With a flood of Ripling books now likely to swamp the market, the Trust is making a bid to salvage some of its loss by joining with publisher, Pavilion Books, to produce a new edition of the Just So stories on January 26. book is illustrated by Safaya Salter, will sell at £7.95 "and may recompense us a litle for the £45,000 a year we have lost," says a Trust official.



## ECONOMIC VIEWPOINT: THE CHEVENING MEETING

# Be bold only on real reforms

By Samuel Brittan

ORIGINALLY, I had intended the Budget will be the negative judgment that the Chant flor to devote the first Economic one: does the mortgage interest might as well be as "generous" Viewpoint of the New Year to relief ceiling stay put? If it as possible. For a series of the eternal verifies. But the does not, you can forget the errors on the side of generosity pre-Budget meeting of Treasury rest. pre-Budget meeting of Treasury rest.

ministers and acceptance this But there is also one positive thing that the Chancellor a more narrowly focused can do within his political contraction for Economic Contraction.

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We are alway

On the face of it nothing is less important than the so-called Budget judgment—this year, whether to aim for a public sector borrowing requirement of £7bm, already given as a ceiling, or whether to try to reduce this by £1bm, £2bm or £3bn at the expense of tax cuts

One can think of many far one can trime or many far more important economic issues, such as agriculture, avoiding a world trade war, im-proving the labour market, housing and the regions, to name but a few. Some of these have a fiscal aspect.

Indeed, my general advice to the Chancellor would be to be as cautious as the stufflest Treasury official on across-the-board tax cuts, but to take all the risks on the side of struc-tural measures designed to im-prove performance at a micro

The biggest single economic problem is that the new jobs are in the south east and that people cannot afford to move to them. It is aggravated by three perverse policies: rent controls, evertight controls or developovertight controls on develop-ment in the south east, insisted upon by selfish and snobbish Conservative activists in the area, and fiscal subsidies to house buyers which—contrary to the Prime Minister's intention—raise land prices, house prices and interest rates all at

once.

The Chancellor cannot override the Prime Minister and
Cabinet on all these policies,
but he can refrain from aggraride the Prime Minister and Cabinet on all these policies, but he can refrain from aggrabut he can refr

straints.

The top UK marginal rate can and should be brought down to 50 per cent. The revenue cost will be negligible or negative, but there will have to be a religious of feet. to be a political offset. This should come not from massive tax cuts in the middle or bottom ranges, which cannot be afforded, but by removing mortgage interest relief against the higher tax rates only, as recommended in these columns by Giles Keating. If this is vetoed, then the Chancellor should refuse to make any cuts in the top rates at all.

Of the structural reforms now the political menu, the most

The Chancellor should be as cautious as the stuffiest Treasury official

on tax cuts

important are, first and fore-most, a substantial incentive for profit-related pay (which is the Chancellor's best chance of appearing in the history books), special measures for the long-term unemployed and some modest fiscal encouragement to employee share ownership programmes (ESOPs).

But I must now turn to the boring bit about the Budget judgment. I am sure that it is in the Chancellor's personal interest to be as cautious as possible. If only because the future is uncertain, there is a chance that there will have to be some offsetting tax increases—or emergency axe-wielding on public expenditure—later on, for which he would receive But I must now turn to the

operation and Development.
The figures for the "general government balance have the advantage of excluding asset sales and other British accounting quirks. Of course, no series is perfect. The estimates for 1986 and 1987 are probably too pessimistic and one can argue about the exclusion of nation-alised industries. It is still probably the best series we have. After reaching a peak deficit of nearly 5 per cent of GNP in the "IMF" year of 1976 and surging up again in 1978, the actual balance has, throughout the years of Conservative government from 1979 onwards, finctuated at around 3 per cent of GNP. It takes the eye of

finctuated at around 3 per cent of GNP. It takes the eye of faith to see much of a downward trend, even excluding 1988 and 1987.

The other side of the coin is that the Briffish Government has been able to finance deficits

A forthcoming OECD study shows, however, that the British deficit to GNP ratio has remained remarkably stable since the late 1960s at around 50 per cent of GNP. At present levels, decisions about year-to-year changes in the deficit are best regarded as normal acts of economic policy rather than attempt to reach some ideal debt ratio. (For countries such as the US, threatened with a debt explosion, the matter is

The last two columns of the table show some attempted "corrections" by the OECD of the UK deficit percentages, not

			. UK GENERAL	GOVERNM % of GDP	ENT BALANCE
	Change in Nominal GDP	Change in RPI	Actual	Structural Balance	Inflation-Adjusted Structural Balance
.1978	15.4	8.3	-4.2	-3.7	0.4
1979	17.6	13.3	-3.3	-3.3	2.5
1980	16.8	18.1	-3.5	-1.5	4.9
1981	10.0	11.9	-2.8	+0.7	5.1
1982	9,4	8.7	-23	1.3	4.7
1983	8.6	4.6	-3.6	-0.6	1.4
1984	7. <del>2</del>	5.0	-3.9	-14	0.6
1985	9.6	6.1	-2.6	0.9	13
1986*	. 5.5	3.4	-3.1	<b>-1.5</b> ·	0.2
1987†	7.0	_	-3.3	-2.2	-0.3

SOURCE: OECD, NATIONAL INCOME BLUE BOOK, ECONOMIC TREMOS

structural balance is more serious. It shows the Budget balance as it would be if output were on trend. This has the effect of increasing the pub-lished deficit in a boom and reducing it in a recession.

Many such exercises are vitiated by being based — wishfully — on unemployment and growth rates normal up to 1973. Thus the corrections are excessively large and favourable. The OECD largely avoids this dange by basing its corrections on the peak-to-peak trend of output. As a working assumption, the next economic peak is put at 1990 and UK trend growth over

This structural deficit again shows only moderate deviations since 1980 at around 1 to 11 per cent of GDP, with the exstringency in 1981-82. The cir-cumstances surrounding that period, which ultimately led to the departure of several Cabinet ministers, were special; and the controversies need not be re-hearsed again. More important is that the structural deficit

The adjoining column for the a bonus from a higher oil price tructural balance is more—the Treasury is likely to forecast, on traditional British definitions, a PSBR before tax changes of well below the 27bn level of the medium term financial strategy to which the Chancellor is pledged.

If the forecast emerges at £5bn—or £4bn or £3bn as it easily could—should the Chancellor remit the difference in

Public borrowing should be reduced as much below £7bn as revenue will allow

taxes or should he take the opportunity to reduce the

The basic aim of monetary and fiscal policy should be to secure a growth of total spend-ing, i.e. nominal GDP, appropriate for non-inflationary growth. In the past I have criticised the Treasury for trying to bring down the path of nominal GDP too quickly. But in 1987 it is turning sharply

overseas borrowing means reduced current deficit. little less spending at home will mean more goods available for exports and less money spent on imports, when supply

After several years of large After several years of large payments surplus and an enormous build-up of overseas assets, alarmism over the balance of payments of a 1960s kind is misplaced. The average independent forecast of the current deficit is ? per cent of GDP and the highest, 1} per cent—compared with the US level of 4 per cent.

On the other hand, it does not

On the other hand, it does not make much sense for Britain (or the US) to remain a net borrower to finance not investment but government spending: and there is uncertainty about whether the payments deficit from 1988 onwards will be on a falling or rising trend.

Thus, one does not have to be an alarmist to say that there are risks that the balance of payments gap will be too high, and that the desirable direction in which to move it is back towards the black for the state of this than the black. On top of this there are the cruder dangers to currency confidence and political risks if individual months

## Lombard

# The case against nominee funds

By David Goodhart

COULD CITY scandals become There is little evidence to support such a view. The would surely have been denounced as "gross over-reaction" coming from a Labour administration.

Just as Labour was once said to be the only party which

nominee funds. Since 1980 the investigation of half of the insider dealing cases has run into the problem of offshore nominee funds. If this government wants to prove it is serious about making life more difficult for City crooks it could put new restrictions on how such secret funds are used.

This would not create insuperhable difficulties. Indeed the government has gone some way it does not depend on the good-

There are, however, two problems. First, it is doubtful whether the DTI would take such action because it is caught in a classic internal conflict of the control of the co in a classic internal conflict of wants to appear tough on its interest as both the policeman supposed friends in the City of the UK securities industry why does it not insist that all and the promoter of its invisible City professionals also have to trade balance (which has in the register before dealing on their past benefited from relatively relaxed regulations). Second,

COULD CITY scandals become The only solution is to ban to the Tory Party what Brent members of the Stock Exchange Council has been to Labour? (or any organisation covered by the SIB) from dealing with any nominee fund or account which government is nevertheless is not prepared to identify its sufficiently anxious about the beneficial owner—an idea pro-electoral consequences of City posed by Tory MP Tim Yeo scandal to have taken steps, during the committee stage of over the past few weeks, which the Financial Services Bill.

A predisposition towards A predisposition towards transparency should benefit any marketplace. That does not mean all nominee funds could or should be banned. Unit trusts, pension funds and companies all have legitimate, bureaucratic, uses for nominee funds. But as secrecy is not essential for these purposes there is no reason why funds should not have to register their true beneficiaries with a body like the SIB. In return they would receive a clearance number which could be logged in to be the only party which could restrain organised labour perhaps the Tory Party—propelled by political fear—is now best placed to discipline its supporters in the City.

Other aspects of this government's strategy—such as the creation of a new generation of shareholders and the increased flow of foreign earnings from financial services—may also now depend on a cleaner image for the City. Thu for those members of all parties and none who support tighter policing of the City here is a magnificent opportunity to press the Government to show it means business.

Take just the one topical know the beneficial owners. Those officials would only nominee funds. Since 1980 the investigation of half of the insider dealing cases has run closs.

government has gone some way it does not depend on the good-down this path by giving the will of the authorities in DTI powers to close down UK Panama or Liechtenstein albranches of, say, Swiss banks which refuse to reveal the beneficial owners of accounts, the Isle of Man and the Cayman Telender of Man and t

own account, or perhaps even ban them from dealing altoclosing down UK branches of gether? Many foreign firms in foreign banks will simply not the UK already operate such affect the majority of nominee rules so there should be little funds and brass plate companies damage to the City's interwhich have no branches.

## Trade shadows **lengthens**

National Farmers' Union. Sir,-Your leader of January "Trade shadow lengthens was disappointingly one-sided.

It is a matter of extreme regret that the Americans have decided to threaten retaliation decided to threaten retaliation against the EC for the consequences of enlargement. But it seems unreasonable to place the blame on the EEC when the Community has a strong case for arguing that its actions conform with international trade law and has established an interim arrangement by which American, agricultural which American agricultural exports will not suffer pending a final resolution of the dispute

by GATT. You might also have mentioned, as recent articles in your paper have shown, that the American taxpayer pays far more for US agricultural support than his European counterpart. counterpart. Simon Gourlay, Smon Gourag, Agriculture Eouse, Knightsbridge SW1.

**Privatising** 

airports From Karen Hancock and Kim Swales

Sir.—Mr Powrle (December 30) delightfully exposed much of the humbug propagated by the airports lobby over the need for further airport provision. He balks, however, at supply being determined by the market mechanism on the grounds that this would give Brifish Airports Authority huge monopoly profits. But is this a major stumbling block? Two issues are usually thought to be important in this sort of situation: a profit-maximising monopolist will restrict output to force up prices, thus making consumers pay more for less; and the distributional effects of monopoly tributional effects of monopoly profits are usually taken to be undesirable; consumers' interests should take precedence over shareholders'. But neither of these arguments carries much force in this case.

Airports could price-discriminate by auctioning off individual access "slots" to the individual access slots to the sirlines. This profit-maximising behaviour implies that an airport would be prepared to sell any time-slot as long as an airline offered a price greater than the cost of servicing the landing. There is therefore no incentive for an airport to reduce access to force up prices. duce access to force up prices. Under this scheme, the airport also captures all the economic rent from its favoured location. This would increase substan-tially the profits from at least some of the BAA airports. The value of these increased pro-fits, however, would be incor-ported into the share price for career advancement.

## Letters to the Editor

BAA when it is privatised later this year. Air travellers will lose, but the taxpayer will gain. Is this terribly unfair? As Mr Powrie states, the issues of airport provision and operation are very important and involve substantial amounts of money. Given that we are going to get a privatised BAA, why not give the market a

118, Calder St, Govannill,

Accountability at local level

From Mr W. Charsley Sir,—Mr Wilfred Aspinall (January 2) posed the question what controls would be instituted over high spending local

In the first instance, because local accountability should be the cornerstone of effective local government, in principle those who use the services provided should be prepared to pay for

entation of the "community charge " will require everyone 18 years and over to contribute. It is reasonable to assume therefore that many more people will have a direct more people will have a direct interest and concern in the way their money is spent in providing local government services. This being the case, there will be far greater pressure on local councils to provide effective "value-for-money" facilities; such public pressure will give increased significance in the use of the ballot box to ensure the public accountability of

the public accountability of elected members. Clearly, this being the case, elected members would, no doubt, be even more insistent that the officers serving them should be equally accountable in the administration of council

In so far as the officers are concerned the following points should be borne in mind. There should be borne in mind. There is a massive task to create the right approach with regard to management development. At the end of the day it is people (particularly managers) that create effective (and not just efficient) change. The eternal problem of the public sector is to relate accountability to the to relate accountability to the relevant authority (i.e. the "proper officer") and to high-light the "buck passers." Conugnt the puck passers. Conversely, many able managers are frustrated by the limitations placed upon their roles, and they see little opportunity for

The end result for rate payers, more often than not, is a low "value-for-money" performance by local councils. Walter F. Charsley. Farnham, Surrey.

Property

Sir,-Your interesting article of January 2 favours the intro-duction of a value based property tax over a straight land tax on the grounds that it would have "no effect on work incen-tives" and it would "capture revenue from rising values— more reliably bouyant than a

land tax."
The first supposition obviously questionable. The incentive to improve property would decline. The tax would depress activity in the building

trade.
The second seems to assur unlikely, because from the minute a building is complete it starts to deteriorate; the value sure to occupy that particular site that inflates the value. Your correspondent is right to conclude that the major drawbacks to a simple land tax are vested interests—land owners, farmers, etc. But the intriusic justice of the proposition easily outweighs risk of upsetting

these interested parties.

The land tax returns to the people the values of the land which are created by them. Their presence determines the

land prices. Unlike a value based property tax, a land tax does not attack the fruits of man's endeavours. It merely reclaims the advan-tages confirmed on a particular site by the community and by the creator. The Chancellor could have no

better supporters for his next budget. Jeremy Sinclair, Millfield Cottage,

Breach of

From Mr M. Brady Sir.—While sympathising with the thrust of Professor Myddelton's argument (December 29) that successful speculation pro-motes coordination in the

that some investors are harmed by insider activity. More specifically, those investors who buy a stock after insiders have bought it, will pay a higher price than they would otherwise pay; and those who sell a stock after insiders have sold it, will receive a lower price than they would otherwise receive. Although it does not follow

market, it is clearly the case

that insider activity as such should be a criminal offence, I am sure that Professor Myddel-ton would agree that these insiders who are guilty of a breach of trust may justly be fired from their positions of trust and rightfully are liable for restitutive damages arising from civil actions—as has been and remains the law.

Mark Brady Economics),
Pitzer College.
1050 North Mills Avenue,
Claremont, CA 91711, USA.

Distorting the judgment

From Mrs P. Stone Sir, — Professor Myddelton asks (December 29) "how are honest investors harmed by

insiders dealing can distort the judgment of top manage ment; consider how the gain, which could be achieved by a dominant individual deploying price sensitive information could outweigh the wider interests of the company. Mr Sheppard's point of stamp

ing out naminee names (December 80) should also apply to dealing in options.

(Mrs) Philippa J. Stone.

26 The Drice, E18.

dealing From Professor D. Myddelton

Sir.—Mr D. Barnes (December 31) says: "There is ... an element of risk in share investment which must be borne by all who invest in the stock market, and which the insider by definition cooks to evoid?" by definition seeks to avoid." But modern financial theory distinguishes between specific (or unique") risk relating to a particular security, which investors can avoid by holding a suitably diversified portfolio, and market (or "systematic") risk, which cannot be avoided. (This does lead to certain note-worthy conflicts of interest managers and share

According to the theory nobody can avoid market risk; but if "honest investors" hold suitably diversified portfolios they can avoid specific risk; and thus avoid being harmed by insider dealing. by insider dealing. (Professor) D. R. Myddelton Cranfield School of

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# **FINANCIAL TIMES**

Thursday January 8 1987

**SPARKLING** That's BTR

Anthony Robinson in Johannesburg reports on Africa's oldest liberation movement

# Winds of change swing in ANC's favour

movement, today looks back on 75 years of struggle to create a non-ra-cial society: Its prestige is at an all-time high but its goal still lies tan-talisingly out of reach.

Its origins date back to January 8, 1912 when several hundred blacks, representing the cream of tradi-tional tribal and aspiring middle class black society, assembled in Bloemfontein to form the South African Native National Congress. It was founded by moderate, even, conservative, blacks, in a mood of anguish and foreboding.

Hopes that the British victory in the Anglo-Boer war 10 years earlier would create a more liberal South Africa and extend the franchise and land rights of blacks had been dashed by the 1910 Act of Union.

Rather than extend existing black franchise rights in the Cape province, the Act, exclusively designed to re-unite white Afrikaans and English-speakers, provided in-stead for their abolition. Three years later, the 1913 Land Act deprived thousands of blacks of their land and limited black land ownership to the reserves.

The continuing deprivation of political, social and economic rights has ensured ineradicable grass roots support for the main symbol of black aspirations despite unremitting repression and harrassment

Pretoria complains that the ANC is a terrorist organisation. But for the first 50 years of its life, the ANC was committed to non-violence. It was only when driven underground in 1960, the year of the Sharpville massacre, that its exiled or clandestine leadership embraced a strategy of overthrowing white power through a people's war.

Government propaganda contin-ues to try to persuade whites that the ANC is just a terrorist organisation hijacked by Communists. Its leaders are either in jail, such as



Bearing arms – a mourner at the funeral yesterday of a victim of recent unrest in the South African township of Queenstown carries a wooden gun as a symbol of guerrilla warfare against apartheid.

Further afield, the ANC has an estimated 10,000 trained guerrillas in camps in Angola and Tanzania and possibly another 1,000 infiltratin camps in Angola and Tanzania bourtiness.

and possibly another 1,000 infiltration of a changed since, and possibly another 1,000 infiltration of a changed since, and possibly another 1,000 infiltration of a changed since, and a changed since, and a changed since, and a changed since of a change of a head-on military struggle but to en-gage in what the Government calls have made unworkable Pretoria's

its real strength, however, lies in the essence of white control.

The failure of the Government's the extent of its passive support with Mr George Shultz, the US Sec- 20,000 black "activists." retary of State, the culmination of

element in South Africa's future. accord between South Africa and in full control of the army and po-Nelson Mandela, Walter Sisulu and Mozambique, the ANC appeared to lice. Govan Mbeki, or in exile, where have hit a new low. Its guerrilla Pr

Oliver Tambo heads the organisa-tion from a cluster of shabby offices of the Nation) had been virtually off a back alley in Lusaka, the Zam-expelled from Mozambique and President P.W. Botha was touring European chancelleries as a harbinger of reform and good neigh-

most powerful army in Africa in a lent black opposition which has cost acts of terrorism and the ANC per-ceives as acts of "armed propagan-da." strategy of modernising apartheid and co-opting "moderate" blacks in-to institutions designed to preserve

within South Africa's black majori-reform strategy, designed to lessen

In effect, South Africa is in a years of diplomatic efforts to gain state of violent equilibrium. The international recognition as a key black opposition is powerful enough Yet, less than three years ago at plans but nowhere near powerful

Pretoria's portrayal of the ANC at pressures

townships, the trade unions and those detained under the most stringent emergency regulations But Pretoria, girding itself for a white election later this year, has the security forces on full alert and

ceptions of a revolution around the The underlying balance of black/ white power has shifted in the ANC's direction. The inexorable rise in the black population, the greater literacy and sophistication

The young radicals who crossed the border after 1976 are still a

small minority in the organisation's 30-strong national executive com-

mittee. But many are chafing a their forced inactivity in camps far from home, while there is no mis-

taking the pressure for decisive ac-

tion from the radical youth of the

of blacks and their growing role in the economy all indicate that time is on their side. As white business leaders, academics, churchmen and politicians such as Mrs Helen Suzman have warned, failure to negotiate with the present generation of leaders including Nelson Mandela, will only make future negotiations with the tougher new generation more diffi-

Meanwhile, the economy, faced with growing sanctions and the cutoff of foreign capital, can only de-

As the ANC moves into its 76th attacks and black radicals in the year, the way ahead is as obscure townships still have their doubts about the "softness" of the ANC ex- as ever. But the Government, too, is ty and the worldwide sympathy for its dependence on repression, has its struggle. Later this month, Mr obliged Pretoria to re-introduce a arrival of promised deliveries of growing number of disillusioned Tambo flies to Washington for talks state of emergency and detain over arms and trained Umkhonto ca-whites the non-racial option held out by the ANC seems at least wor-Today in Lusaka, Mr Tambo is thy of exploring. After all without expected to unveil the ANC's latest ssment of the struggle ahead. that of the predominantly Afrikan to thwart the Government's reform
plans but nowhere near powerful in which he has managed to keep enough to overthrow a government the ANC together, Mr Tambo, a 69able. Nobody can be more aware of year-old lawyer and devout Christian, is under strong conflicting ANC, including its Communist Par-

## THE LEX COLUMN

# Paribas at the Bourse

It may be early days, but 1987 is looking enticingly reminiscent of the start to 1986 in the equity market and fund managers dare not miss out. All-time highs in the FT-SE 100 and the All-Share are a response to peaks around the world. orecasts of strong earnings growth, and another attempt on the 10 per cent yield barrier by gilt-edged stock. The difference is that last year lower oil prices were the extra good news, this time it is higher oil prices. Fair enough: \$10 oil while it lasted, did not do much for profits.

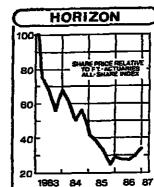
## Paribas

It is not as if the markets had been deprived lately of chances to put their money into global investment banks, but the absence of a scarcity premium for the sector should do nothing to damage the prospects for the re-flotation of Paribas later this month.

Metro strikes and EMS wrangles notwithstanding, the political cli-mate for French privatisations still appears to be set fair, and the French Government is doing its best to create an air of scarcity and stable share register for the next couple of years - by tacking away chunks of shares with trustworthy institutions outside the main offer for sale.

Though Paribas cannot expect to slug it out with the large Japanese houses in the US market, and its profitability in Eurobonds at number eight in the league table is nothing like as high as for a bank in the top three, it derives enormous strength from its position in the de-veloping French capital markets. However disarmingly the Paribas management denies-exploiting its portfolio of industrial investments, there is no doubting that Paribas has the politer sort of armlock on a large number of the leading French

Given that losses of FFr 200m in Credit du Nord will not recur this year, once redundancy costs are out of the way, it is hard to see Paribas making less than FFr 1.8bn before achieving anything in the way of growth in the rest of its business. The baseline for 1987 profit fore-



converted on approximately a one-for-one basis, the market price of FFr 432 points to an issue price close to FFr 400, and a prospective multiple of around 10.

Since the flow of other privatisations will make it virtually impossible for Paribas to have a rights issue in the next year or so, and the opportunity to stack the capital base with perpetual floating rate notes has probably vanished, it is as well that Paribas has already strengthened its equity base. Asset growth may still be constrained; but so long as the bank concentrates on investment banking (and perhaps rids itself of a restored Credit du Nord) that may be no bad thing.

## **Horizon Travel**

The power of the binoculars required to scan Horizon's borizon for the full trading recovery has diminished, but that looked-for event is still some way off. A so-called trading profit of £1.65m in the 11 prise seems to be producing the months to October against a loss of £1.98m is only the first step, and anyway was helped to the tune of

After getting the market so wrong in 1985, persuading travel agents to send clients on Horizon holidays in 1986 must have been quite a struggle. A measure of the cost in. price cuts is that an 30 per cent in-cial tastes, it might perhaps include crease in the number of holidays a Euroferties-type debenture for sold, from 352,000 to 633,000, trans-high-tax payers, carrying dividends group turnover.

ready in issue are eventually to be around 11 per cent so far this, Hor- rates for tax payers to avoid.

izon's next trick is to rebuild margins: much harder to perform. Cost cutting and management changes have been part of the battle. Price increases and higher volumes will

With uncertainties like exchange rates, fuel prices, and Horizon's competitors' need to sell holidays. forecasting profits is almost point-less, but a base of perhaps Com this year could be well beaten if all comes right. The tax charge is another moveable target, but 10 per cent would give a multiple of 18% with the shares up 2p to 151p yes-

More relevant to the shares is the stake building which has helped the price up in recent months. Net assets at 158p per share are probably understated by at least 20p, but that does not leave very much leg room for a bidder. One way or another investors will have to wait.

## Eurotunnel

After the difficulties that Eurotunnel had in placing its second tranche of equity - even among those institutions lucky enough to be favoured with a personal call from the Governor of the Bank of England – there was bound to be a good deal of strenuous creative thinking about arrangements for the public offering. If the final £750m failed to materialise next summer, existing shareholders would be entitled to feel a certain amount of grief.
As might be expected, the anxiety

prise seems to be producing the maximum number of fail-safe devices ever attached to any issue In actual trading, although, Horizon's progress has been admirable.

After postting the months of the months of the confirmation of the confirmati anywhere. No fewer than three untakers already on the share register, there is likely to be a choice of different Europunnel instruments including a convertible loan. If the issue is truly to cater for all finanlates into only a 46 per cent gain in in the form of guaranteed free passage. But it is possible that by next NEW information about potentially lier, the joint head of securities op In effect, this is a second stage of casts is thus FFr 2bn. Assuming After increasing market share, summer – let alone that of 1993 – illegal insider dealing in the City of erations at Morgan Grenfell, the the Collier case and does not that the preferred Certificates at from 5 to 8 per cent last year, and to there will be fewer high marginal

# **Guinness board will** discuss controversy

BY DAVID LASCELLES IN LONDON

company and its financial activities. currently under investigation by the Department of Trade and Industry (DTI) inspectors.

secret location over the last two most familiar with the affairs that days, the directors said it was re- are being investigated. cognised "that a full board meeting 
The statement did not mention The talks included both Guin-

representation.

auditors, to brief them on the circumstances of the DTI inquiry. They have taken and are continuing to take urgent steps to satisfy themselves as to the full implica-tions of what they have learnt."

This new initiative by board members follows widespread sug-gestions in recent days that Guin-ness may have breached the UK Companies Act by helping to fi-nance the purchase of its own shares during last year's fierce takeover battle for the Distillers company in order to boost the value of its bid. It is also a recognition that the company cannot await the outcome of the DTI inquiry before

Guinnes has always denied any wrongdoing. However, questions bave remained unanswered about a number of its actions during the Distillers bid, notably its transfer to or risk legal action. The letter from the Henry Ansbacher, the UK merchant bank of £7.6m (\$11.02m). Acting on instructions from Mor-

reviewing its position.

DIRECTORS of Guinness, the UK Ansbacher claim that the money brewing group, last night sum-moned a full board meeting for next ever, Guinness maintains that the Wednesday to consider the mounting controversy surrounding the Tuesday it asked for it to be refusing to do.

The transfer was initiated by Mr Roux, who was singled out by last After a series of urgent talks in a night's statement as the executive

must take place at the earliest op- Mr Ernest Saunders, the company's chief executive, whose position has The talks included both Guin-ness' own executive directors and four of the five non-executive direc-nied any intention to resign altors who were appointed to the though there has been speculation board last year to provide outside that he might stand aside until the investigations are completed

A statement last night said that In rejecting Guinness's reques board members had held meetings for the return of £7.6m, Ansbacher with Mr Olivier Roux, the finance yesterday raised the liklihood that director, and Price Waterhouse, its taken to court.

In a lengthy reply drafted with its lawyers. Ansbacher stands by its position that it used the money to buy Guinness shares on the instructions of Morgan Grenfell. If Guiness has a quarrel, Ansbacher says, it must be with Morgan Grenfell.

The detailed 10 point letter to Guinness's solicitors Kingsley Nap-ley, says that Ansbacher has been advised that questions of illegality surround the money, and that it should not deal with Guinness's request until these have been cleared

Ansbacher also says that it is still waiting to be told exactly who the 2.1m Guinness shares which it holds belong to.

Guinness says the money was an interest-free deposit which Ansbacher must return on January 20, Kingsley Napley says it was planned by Mr Roux, and was intended to be left for a month at the gan Grenfell, Guinness' advisers, most. It was transferred in May.

# London widens insider dealing inquiry after new information

tionary onslaught" which justifies

draconian security measures raises

the prestige of an external leader-

ship which, in reality, has more of-ten reacted to events than shaped

the campaign to make 1986 the "Year of Umkhonto We Sizwe" was

White complacency has not been unduly disturbed by scattered bomb

not a great success.

BY DAVID LASCELLES AND PETER RIDDELL IN LONDON

Industry (DTI) to extend its inqui-

The DTI announced yesterday that it had asked one of the two inspectors it appointed in November, Mr Graham Kennedy, to stay on. The other inspector, Mr Peter Scott, QC, cannot continue because of pri-or commitments, and he is to be replaced by Mr Henry Brooke, QC.

Under-Secretary for corporate and consumer affairs. But the DTI said

last night: "However, certain recently received information requires further investigation." tion was. But the decision to probe further follows persistent reports in the City that the inquiry has been widened to include several more stockbroking houses. It had been

It did not say what this informa-Mr Graham and Mr Scott have assumed in the financial district just reported the results of their inthat evidence produced by the Colliquiries into the case triggered by er affair would trigger allegations the resignation of Mr Geoffrey Col- of insider trading by others.

London has emerged, prompting merchant bank. These will be contained amount to a wholly new investigation.

Mr Collier resigned after admit-ting insider dealing, and he was charged a month ago with offences connected with transactions in the shares of AE, the engineering

The DII emphasised yesterday that the new Financial Services Act, which confers special powers on inspectors, does not require their reports to be published. Because of this, Mr Paul Channon, the Trade Secretary, does not propose to publish the results of the inquiries.

# Banks may seek tunnel support

BY PAUL BETTS IN PARIS

FRENCH and British bankers plan- the end a nailbiting affair. syndicates to ensure the success of international the issue this summer.

Failure to raise the targeted already agreed with more than 40

ing in October for Eurotunnel, the Anglo-French tunnel consortium, ran into last-minute difficulties.

French bankers claim that the decision not to opt for underwriting syndicates for the institutional placsyndicates for the institutional plac-ing was one of the reasons why the Japan. But the French bankers say recent private placing turned out in they hope to include banks from

ning to raise £750m (\$1.1bm) in a French and British banks are crucial public share offer for the now studying proposals to form Channel Tunnel are considering three underwriting syndicates—one setting up a series of underwriting French, one British and the third

The French syndicate would be led by the three French banks inamount could put in jeopardy some volved in the Channel Tunnel pro-£5bn in loans and standby credits ject, including Banque Indosuez. ject, including Banque Indosuez, Credit Lyonnais and Banque Nationale de Paris. The French bank-A £206m institutional share plac- ers hope to extend their syndicate to other French banks and financial

The UK syndicate would be led While that fund-raising finally met by Robert Fleming and Morgan its target in the UK and France, it Grenfell although other merchant failed to bring in as much money as banks would join them, including, it originally hoped in other international markets, especially the US.

County Bank.

The international syndicate is ex-pected to be led by Salomon Broth-

ation of the Chad conflict.

other European countries, such as Switzerland, Belgium and the Neth-erlands. The feeling in Paris is that while the response in the US to the pointing, there appeared to be in-vestor interest in European coun-

tries apart from France and the UK. The bankers are also considering a range of financial instruments to make the latest plan more attractive. This could include not just offering straight equity but also a combination of convertible loan stock to enable investors to receive an annual dividend payout.

Straight equity would not earn investors a dividend for at least seven years until the tunnel comes into operation. The French bankers say that European investors, especially, would find convertible loan stock more attractive proposition to straight equity in a complex and ambitious project like the fixed

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TOTAL ASSETS	<i>£</i> 477.9m	£353.2m	+35.3%
NET ASSET VALUE PER UNIT	483.1p	349.0 <sub>D</sub>	+38.4%

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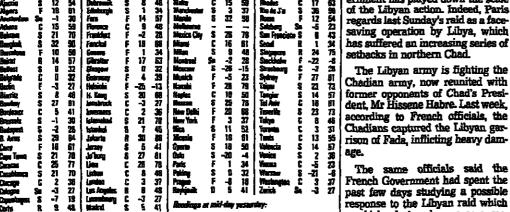
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World Weather

# France retaliates

Continued from Page 1

ernment has played down the scale egards last Sunday's raid as a facesaving operation by Libya, which has suffered an increasing series of sethacks in northern Chad.

The Libyan army is fighting the Chadian army, now reunited with former opponents of Chad's President, Mr Hissene Habre. Last week, according to French officials, the Chadians captured the Libyan garrison of Fada, inflicting heavy dam-

The same officials said the

ture than an action risking an escal- Libyan allies in the north.

Mr Jacques Chirac, the French Prime Minister, made it clear during a broadcast on Tuesday that he had no intention of engaging France in "an adventure" in Chad. He also described the Libyan raid as "an insect bite." According to French officials,

there are now about 8,000 Chadian troops in the north of the country helping some 2,000 supporters of Mr Goukouni Oueddei, the former Chadian ally of the Libyans, who is now reconciled with President Ha-

past few days studying a possible Mr Oueddel is corrently under response to the Libyan raid which house arrest in Tripoli, while his would be designed more as a ges- supporters are fighting their former

## hard line Continued from Page 1

Chinese take

for then removing the right to put up posters from the Chinese consti-tution. However, his reference to distin-

guishing positive from negative

suggests that he does not yet wish to close down debate among stu-dents so long as major public disruption goes no further. It is significant that three days after Deng wrote the letter Vice Premier Li Peng personally ordered the release of some arrested Peking students, showing that some tolerance remained and that the leadership was still being gentler with shr-dents then others involved in the

# That's BTR

Euresunnel

5 - 23

2.17%

The following are a selection of the General Appointments that appeared yesterday

European Investment Manager Chief Financial Executive **Corporate Dealers** Recoveries Manager **UK Institutional Sales** 

Stockbrokers Equity Investment Manager Head of Marketing

**Business Analyst** Company Secretary

Director Finance and Development Corporate Finance

Financial Consultant Sales Executive

Pension Fund Manager

FINANCIAL TIMES EUROPES BUSINESS NEWSPAPER LONDON - FRANKFURT - NEW YORK

# INTERNATIONAL APPOINTMENTS

# L. F. Rothschild resignees Economic move to American Express

MR THOMAS I. UNTERBERG and Mr A. Robert Towbin, who last month resigned as the top executive of L. F. Rothschild, Unterberg, Towbin, the New York investment bank, have joined the investment banking division of Shearson Lehman Bros the offshoot of American

had been vice chairman, parted ways with the concern when a dispute arose over its future direction. Mr Unterberg and Mr Towbin have joined Shearson as managing directors, with duties to direct its domestic and inter-national technology group.

to have responsibility for Shear-son's venture capital invest-

Bros the offshoot of American Express.

Mr Unterberg, formerly chairman and chief executive of Rothschild, and Towbin—who had been vice chairman parted to the chairman and chief executive of Rothschild, and Towbin—who had been vice chairman parted to the chairman that the chairman asset management.

In December, the New York Federal Reserve awarded Rothschild, and Towbin—who had been vice chairman parted to the chairman of L. F.

Rothschild, Unterberg, Towbin below the public schild the right to operate as a primary dealer in Government resign.

Mr Thomas Unterberg and Mr

Mr Towhin is also to serve on The market for high-tech initial Shearson's investment banking public offerings has been weak policy committee. The two are since 1984, and it is understood that the new executives had pushed for greater emphasis on Trading in government and mortgage-backed securities and before Christmas that the chairman and vice chairman of T

securities.

Mr Mayer came to Rothschild Mir Thomas Unterberg and Mr
Robert Towbin, who turned the
bank into the prime underwriter of technology stock offerings in the early 1980s, have
been replaced by two joint chief
executives, Mr Robert Schoenthal and Mr Francois Mayer.

Mr Mayer came to Rothschild
from the London operations of
Mr Jacob Rothschild's J. Rothschild Holdings, which owns
some 8 per cent of the Nee
York bank. Last year, the bank
fought off a takeover bid from
General Felt.

# United Mizrahi fills top post

BY JUDITH MALTZ IN TEL AYTY

MR MICHAEL ZVINERI has been appointed managing director of the United Mizzahi Bank, in place of Mr Moshe Man, who submitted his resignation two weeks ago because of "personal reasons," only five months for a three month period. Mr Yager has until now hear the sonal reasons," only five months for a three month period. Mr after taking up the post. Mr Yager has until now been the Zvineri has until now served as managing director of Mishav deputy managing director of Development, a construction bank.

In another top management Religious Party, which also con-change, Mr Yithak Yager was trols the bank.

been recently plagued by managerial in-fighting and financial difficulties. It was the only one of Israel's major com-mercial banks to find itself in the red in the first half of 1986,

# counsellor for IMF

THE International Monetary Fund (IMF) has appointed Mr Jacob A. Frenkel, a university of Chicago pro-fessor, as economic counsellor and research director. Wand research director. Mr Frenkej succeeds Mr William C. Hood, of Canada, who has

Mr Frenkel, 43, has most recently been the David Rockefeller Professor of International Economics at the University of Chicago.

## Director for Bear Stearns

By Our Financial Staff BEAR STEARNS Inter-national Ltd, the UK-based offshoot of the Wall Street investment house, has announced that Mr Francols announced that air Francis
Mouté has joined the com-pany as a director. Mr Mouté is to provide European institutional investors with investment advice and trad-

investment advice and trad-ing services in US equity issues from the house's Geneva office.

Mr Mouté was previously senior vice president and principal at Donaldson Luf-kin & Jenrette, of the US, from 1976 to January 1986. Bear Stearns International is a wholly-owned subsidiary of Bear Stearns & Co Inc, the securities business of the

# **Canadian National** elects new chief

BY ROBERT GIBBENS IN MONTREAL

RONALD LAWLESS, 62, has been appointed chief executive officer of Canadian National Railway Company, in succession to Mr Maurice Leclair, 59, who has also been chairman. Mr Leclair took early retirement, after first joining CN nearly 10 years ago as vice

president finance. Mr Lawless moves as president of the CN rail division, Canada's largest rail network, and retains this post. The position of chairman of CNR has not been filled.

CNR is owned by the Government, 'The corporation includes the rail division, hotels, real estate and other subsidiaries, but is expected to show a major loss for 1986 as a whole, following a C\$10.4m (U\$\$7.5m) loss for the third

The main problem has been the depressed results of the rail division and greater competition from trucking companies. The company recently sold off its loss-making trucking unit.

## **GMAC** picks chairman

GENERAL MOTORS Acceptance Corporation, the vehicle financing and insurance offshoot of the Detroit concern that is the world's biggest car maker, has elected Mr John R. Edman its chairman. Mr Edman, who has been vice

Mr Edman, who has been vice president and group executive of GM's finance group, succeeds Mr Robert F. Murphy, who retired on January 1 from the post at the non-consolidated subsidiary of the group.

The move is part of a number. Mr Gordon R. Samardich, a GMAC executive vice president takes up the new post of

Mr Raymond M. McCarthy, GMAC president, is to be in charge of worldwide operations, marketing, mortgage banking

and insurance.

Mr George G. Fenner, GMAC
wice president in charge of
marketing, is to succeed Mr
Samardich as executive vice
president in charge of operations

CONSOLIDATED NATURAL GAS COMPANY, of Pittsburgh, has announced that Mr George A. Davidson is to be chairman and chief executive from May. dent takes up the new post of in succession to Mr G. J. Tan-vice chairman of GMAC, with ketsley, 66, who is to retire, responsibility for worldwide Mr Davidson, 48, is currently borrowing, finance and stra-vice chairman and a director of

# Accountancy Appointments

# **Financial Controller**

## South East

This profitable newspaper group has established a strong market position in its area of the Southern Home Counties. It has invested heavily in the introduction of new technology, enabling it to minimise its cost base whilst maximising efficiency, flexibility and customer

A mature Financial Controller/Company Secretary is sought to make a major contribution to the management of the organisation. Key responsibilities will include budgetary control, statutory reporting and MIS development.

Candidates should be qualified accountants, probably RCA or RCMA and aged 35-45, with considerable commercial experience gained at Controller level. Knowledge of the newspaper industry would be a distinct advantage. Applicants must offer drive, determination and initiative, in addition to excellent staff management skills.

c.£25,000 + car

The appointment offers 2 highly competitive remuneration package together with excellent opportunities for above average performance.

Please send full personal and career details, in confidence, to Martin nning, quoting reference 1692/FT on both envelope and letter.

Management Consultancy Division

# **Finance Director**

(Designate)

to £35,000

Our client is a well established and expanding +bonus

group of consulting engineers and planners.

With approximately 500 staff, mostly in the UK, the and car group has a total turnover in the region of

Central

The continuing growth of the organisation has led to the creation of the position of Finance Director, to be responsible for the financial, tax and company secretarial functions. Initial tasks will include the staged introduction of new computer systems, critical for management information and billing; the management of an accounts department of 15 staff; the control of cash flow and debt collection; and the provision of professional financial advice, including budgeting and

forecasting tools, which the business needs

in order to plan its future growth. This is an excellent opportunity for someone

to achieve their first top finance role. The successful candidate will probably be a graduate chartered accountant, aged in the mid 30s upwards, with at least three years' commercial experience, preferably gained in a service environment. Good written and verbal skills are important, as are the qualities necessary to lead the function and to represent it with confidence amongst a strong, professional management team.

Please reply in confidence, giving concise career, personal and salary details to: Sarah Orwin, Arthur Young Corporate Resourcing, Ref: ER907, Citadel House, 5-11 Fetter Lane, London EC4A 1DH.

Arthur Young Corporate Resourcing A MEMBER OF ARTHUR YOUNG INTERNATIONAL

# FINANCIAL DIRECTOR

## **UK Based (outside London)**

Our client is a major publicly-quoted British company with over 60,000 employees in businesses operating worldwide. A wellrespected leader in world markets and a household name, the Group is committed to maintaining quality and standards whilst achieving growth and realising the opportunities offered by high technology. A Financial Director is currently required for one

Reporting to the Managing Director, responsibilities will include strategy development, financial planning, analysis and control and systems review. The Financial Director will be expected to make a significant contribution to the success of the business as a member of the management

£35-40,000 package + car

team and to establish standards for the finance functions in each of the operating units. The key requirements are for a high-calibre qualified accountant with sound experience of the financial controllership role in a manufacturing environment, who can apply these skills to the general management of a business. Ability to negotiate acquisitions and to raise funds would also be relevant and the individual should be a results-oriented achiever with strong interpersonal skills.

Please write to me, Alex Dalrymple, with full details of your career history and current remuneration. Your name will not be released to the client organisation until we have briefed you and you have given your consent.

Arundell Associates, 104 Great Portland Street, London W1N 5PE.

**Arundell Associates** ≡ ■ Personnel Management & Training Consultants ■

# INTERNATIONAL

# Leicester

Olympus Sport International is the UK's leading sports retailer with over 100 outlets throughout the country. As a part of the British Shoe Corporation, a subsidiary of Sears plc, they have achieved major growth and employ in excess of 1000 people with a turnover of £50m.

They require a Financial Controller to augment the management team and report to the M.D. assuming total responsibility for the finance function and its continued development. The post provides opportunities for commercial involvement, staff management, systems development and

# Financial Controller

c £ 22,000 + car

liaison at the highest levels within the group. Candidates, preferably aged 26-34, should be qualified accountants able to demonstrate a high level of technical ability and commercial awareness. The package includes generous relocation expenses where applicable, an executive car and other benefits

commensurate with the post. Applicants should contact Rod Shaw quoting reference N5003 giving full details of career to date at Michael Page Partnership, Imperial Building, Victoria Street, Nottingham NG1 2EX, or telephone 0602 410130.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide A member of Addison Consultancy Group PLC

## **Sector Financial Director** c.£30,000 + CAR**Major PLC**

Are you the right person to join the financial team of one of Britain's fastest expanding and most successful public companies?

We are searching for a qualified accountant to be the Financial Director of a sector within the main division. As part of the small management team you will be given plenty of responsibility but you will be expected to produce outstanding results.

For this manufacturing environment you must have gained the right experience; you will probably be an ACMA or ACCA. Not only will you need the best technical skills but you must have the personality to be

Your career prospects are excellent and your remuneration package will be generous. If you are interested, telephone Stuart Adamson or Andrew Nicholson on 0532 451212 or send your CV to Adamson & Partners Limited, 10 Lisbon Square, Leeds LS1 4LY.

ADAMSON & PARTNERS LTD.

**Executive Search and Selection** 

# Tax Accountant

## **Central London**

The merger of Chevron with Gulf has led to considerable expansion of our oil production and exploration activities in the North and Irish Seas. This growth and our commitment to

remaining in the forefront of the industry have created opportunities for experienced professional staff within our headquarters organisation. This important role, within a busy tax team,

Preparing UK tax returns for North Sea.

operating companies. Participating in negotiations with the Oil Taxation Office.

Advising local operating management on all aspects of taxes as they affect companies in the group.

The successful candidate will have gained experience in the accountancy profession or the Inland Revenue and should preferably be in his or her late 20s or early 30s.

A very competitive salary will be offered commensurate with experience, and a first-class benefits package includes generous relocation assistance where appropriate. Significant career development opportunities exist.

Please send full cv, including details of current selary, in strict confidence, to Mary Gilfillan, Human Resources Department, Chevron Petroleum (UK) Limited, 93 Wigmore Street, London WiH 9AA. Telephone: 01-487 8246.



# Accountancy Appointments

# Financial Controller

to £28,000 + Car

This is a high profile Financial Controllership with the UK affiliate of a major US multinational requiring previous top management exposure in a similar environment, well developed management skills and the obvious potential to move to a Finance Director or equivalent position within the International Organisation. The present vacancy has occurred as a result of a similar move.

The international Group is a large, profitable, expanding business with specialist consumer product brand leaders and the UK affiliate represents an

important R & D, manufacturing, marketing and distribution entity.

The Financial Controller will manage a staff of 18 organised in 3 teams responsible for production accounting (including standard costing systems), financial accounting and reporting, and a comprehensive financial planning activity. Systems are extensively computerised, deadlines are tight, and high standards of accounting, reporting and financial planning are already

Applicants should be graduate Chartered Accountants with audit experience in an international firm and at least 5 years subsequent experience of financial planning, analysis and control in an American multinational. The mobility to pursue an international career is required. (The initial location is North Kent). Relocation assistance is available where necessary. Age

Please apply in confidence quoting ref. L 272, to:

Brian H Mason Mason & Nurse Associates I Lancaster Place, Strand London WC2E 7EB Tel:01-2407805

Mason

## Advertising

£43 per single column centimetre and £12.50 per line

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Industries

c£20.000



## **Systems** • INTERNATIONAL • SEEDS Development Accountant



International Seeds Business is a brand new division of ICI which has been created to take advantage of the opportunities offered by advances in biotechnology and genetic engineering research. The business is currently acquiring commercial stakes in established seed companies in key western markets to provide the vehicles for nercial exploitation of the technology in the future.

A high profile role has arisen for a systems development accountant to work on a project basis, assessing systems development needs in newly acquired businesses and managing the implementation of those recommendations, Although reporting to the Planning and Finance Manager at the head office near Haslemere in Surrey, the initial project will be based in a newly acquired UK subsidiary and the appointee will report on an operational basis to the MD. This is a key

role in helping to establish the Seeds Business commercial network. It offers invaluable, broad based operating unit experience in a highly commercial environment and the opportunity to join a major business of the future in its early Applicants should be qualified accountants with several years'

experience of computer based systems development, who can demonstrate the intellect, drive and ambition required to succeed in a highly competitive fast growing environment. Career prospects are excellent -either within the Seeds Business itself or through one of ICT's other ma

Interested applicants should contact Gary Watson quoting ref. N5004 on 0602 410130 at Michael Page Partnership, Imperial Building, Victoria Street, Nottingham NG 1 2EX.

Michael Page Partnership International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

Amember of Addison Consultancy Group PLC

# **Financial** Adviser

Family Group with International Interests

£25,000 + with excellent benefits **Central London** 

This is an unusual and interesting career opportunity involving the provision of financial advice to a successful family group with substantial capital investments both in the

The work will be widely varied and will include the investigation of possible investment opportunities, assisting in funding negotiations and performing a co-ordinating role between the tarnity and the companies in which they have

The successful candidate is likely to be a Chartered Accountant aged around 40 with experience of corporate financing and a working knowledge of company and personal taxation. Familiarity with property developments is a prime requirement.

Please send concise details, including current salary and daytime telephone number, quoting reference N2003 to A Moynan, Executive Selection Division,

Grant Thornton 🕿 Management Consultants

Fairfax House, Fulwood Place, London WC1V 6DW.

# **Appointments**

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information call:

01-248 4864

## Birley's

# **Financial Controller**

Age 27-30

This is a unique opportunity to become the first qualified accountant in Birley's, a rapidly expanding exciting young company. The firm is already well known as the leader in the provision of high quality food and sandwiches to the City. Head Office is in the Royal Exchange.

Reporting to a young Managing Director, the new man or woman is to be responsible for the complete financial and administrative function, with emphasis on producing prompt management information and the provision of wise profe

advice. Future plans include Head Office computerisation. This challenge will suit those with

a few years time. **Roland Orr** 

bonus. Promotion to the Board depends upon performance and future profitable growth.

Expansion is planned to lead to a USM floatation in Please send full career details to RNOrr, stating if in confidence, quoting reference M2821, or telephone for

more information or a form.

c.£25.000 + bonus

post-qualification experience who are now ready to

create their own department and control systems.

quickly and clearly is essential. Branches are well

The ability to communicate financial matters

organised, with modern point of sale systems.

Salary is negotiable around £20-25,000 plus

& Partners **Management Consultants** 12 New Burlington Street, London W1X 1FF Telephone 01-439 6891

# Financial Controller

Systems Support Division c£28-30,000+car+benefitsHerts/Bucks borders

Through growth and acquisition, the Systems Support Division of Extel is renowned throughout the UK as a leader in high technology support and maintenance.

Operating as a largely autonomous unit of this major public company the services provided extend beyond the parent company to other major IT

Following a recent acquisition and subsequent re-structuring, the need has now been identified for an experienced Financial Controller,

Responsibilities will include the setting up of new accounting systems (including purchasing appropriate computer systems), the preparation of budgets and forecasts and playing a major role within the Executive

Committee of the division. Ideally aged around 30, an accountancy qualification (ideally Chartered) is essential. A minimum of 4 years' experience in industry is also required. Of particular importance. however, will be the ability to make a major contribution within this role and

the potential to progress within the group overail.

In addition to an attractive salary, benefits will include car, pension and, after a qualifying period, participation in the group profit share scheme. Please write with full CV and salary

details quoting reference MCS/4001. to Miles Holford **Executive Selection Division** Price Waterhouse Management Consultants No 1 London Bridge London SE1 90L

Price Waterhouse



# Corporate Finance

Scotland A major organisation in the financial services merchant banking, development finance or sector is expanding the scope of its corporate possibly within a large corporation. A legal, sector is expanding the scope of its corporate finance activity and is seeking to appoint a

head of Corporate Finance in Scotland. Responsibility will be for developing the corporate finance activity and for establishing a high quality team of professional advisers who will work closely with colleagues

throughout the UK. The requirement is for broadly based accounting or business school qualification is essential.

Remuneration is negotiable and unlikely to be a limiting factor.
Age: 35-45. Location: Glasgow.

corporate finance experience acquired in

Please write in complete confidence to Peter Craigie as adviser to the organisation.

Arthur Young, Corporate Resourcing, 17 Abercromby Place, Edinburgh EH3 6LT.

Arthur Young Corporate Resourcing A MEMBER OF ARTHUR YOUNG INTERNATIONAL

## FINANCIAL DIRECTOR DESIGNATE

c. £22,000 + Benefits

Is required by an expanding manufacturer and distributor of laboratory and safety equipment based in South Avon. The successful applicant will be a qualified accountant with suitable commercial experience who will join an existing young management team.

Responsibilities will extend beyond financial control and reporting into a positive management role in the development of this profitable, venture capital financed business.

Written applications with detailed CVPs to the profitable of the pro

Written applications with detailed CV's to:-

R MacFarlane / M D Brown SOLOMON HARE & CO 16 Union Street, Bristol, BSI 2DQ.

## T.B.F. THOMPSON GROUP

## **COMPANY ACCOUNTANT**

A rapidly expanding group, a wholly-owned subsidiary of Cement Roadstone Holdings pic involved in the construction industry, seeks to appoint a Company Accountant at their Gravesend Offices. Salary circa

The position requires a qualified accountant with emphasis on commercial awareness. The main task will be to provide an accounting and administration service to local management, in particular the preparation and interpretation of monthly management accounts for two companies. Involvement will also be required in budgeting and forecasting and controlled costs in line with budgets. A competitive remuneration package, pension scheme and life assurance will be offered to the successful candidate.

Interested candidates should write, enclosing a full curriculum vitae, to:

Mrs. E. Onyett T. B. F. THOMPSON LIMITED The White House, Clifton Marine Parade Gravesend, Kent DA11 0EA

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# A major career step in **Financial** Management

J.P. Morgan, commonly acknowledged as an organisation which couples success with the highest professional standards in the field of investment management, has approximately \$10 billion worth of assets currently invested world-wide. We recognise that expert internal financial management will play a vital role in our continuing success, and are now looking for a person who will be primarily responsible for the preparation and analysis of management information in all areas related to profit measurement and control. This will include—

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\* Financial Management Reports \* Formal Business Planning and Forecasting

★ Operating/Capital Expenditure Control \* Account/Product Profitability

You will be at least in your late twenties computer numerate, and will have an accountancy qualification with 3-5 years post-qualification experience gained in a financial environment. experience gained in a financial environment. Above all, you must be 'business-orientated', with a creative approach, in order to identify our future needs and successfully implement systems necessary for this important area. Hegular fisison with our Head Office in New York will be an essential feature of this role.

The starting salary will not disappoint the embilious career builder and will be accompanied by generous 'large bank'

J.P. Morgan Many Thom, Personnel Manager, J.P. Morgan investment Manager investment Manager in 83 Pall Mail, London SW1Y 5ES.

## Newly qualified ACA London EC3 Chandos Insurance, a subsidiary of Bass PLC, is a successful and expanding Insurance Company in the London Market. Due to recent promotion the Company has a vacancy for a self-motivated and commercially minded

MANAGEMENT ACCOUNTANT

Responsibilities will include the further development and implementation of management controls over the underwriting system, assisting the Chief Accountant in preparation of reports for presentation to the Board of Directors and monitoring and developing the Financial Accounting system. The ideal candidate will be a graduate chartered accountant. A good working knowledge of computerised accountants is essential and some insurance audit experience would be preferable.

This is an excellent opportunity for a recently qualified accountant to make a positive contribution to the future of this successful Company.

Applicants should write in confidence enclosing a C.V. to: Paul Trueman Chief Accountant Chandos Insurance Company Limited 14 Fenchurch Avenue

LONDON EC3M 5BS

No Agencies



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# Accountancy Appointments

# PRINCIPAL AUDIT

A development opportunity for an ambitious qualified accountant

c.£18.5K+benefits Croydon

British Gas South Eastern, a highly successful and progressive business serving over 2 million customers, continues to introduce the very latest technology into all aspects of its activities. The increasing complexity and sophistication of our computer systems mean we now need to add a self-motivated qualified accountant with good communications skills to our HQbased audit team in central Croydon.

You will undertake major reviews and investigations of a range of the Region's activities, leading a small team. Central to the review process will be the evaluation of controls within both financial and operational

systems, many of which are computerised and available on-line via an extensive terminal network.

Internal Audit is committed to a continuous development programme spanning all aspects of its activities, and you will be an active contributor in interpreting and developing new techniques for audit use, assessing the impact of modern technology

on our business operations.

This opportunity should be seen as a development role which could enhance your

Ionger-term career aspirations.
The highly competitive remuneration package includes salary of around £18,500,

car allowance, excellent social amenities, 30 days' holiday and generous relocation

assistance if appropriate.
For further information please ring
01-688 4466 and speak to Bernard Mee on
ext 4410, or telephone for an application
form on 01-680 2981 (24-hour answering service) quoting ref: FA 3080/FT.

An equal opportunity employer

British Gas South Eastern

# **Assistant** Controller:

c.£20,000 + Car + BonusNewbury-Berks

Norsk Data is the fastest expanding mini computer manufacturer in Europe with sales and profit growth in excess of 40% per annum sustained over the last 13 years. The UK subsidiary has an equally impressive record and now seeks a No. 2 in the Finance and Administration functions to take part in managing the expansion.

The Assistant Controller role requires a positive approach which will influence how the business is run and the achievement of financial targets. The main thrust will be the enhancement of financial planning—particularly short and medium term profit forecasting, managing and forecasting cash flow, optimising the balance sheet, and active involvement in the

negotialing stages of major sales contracts.

The Norsk Data management style is unique in allowing a high degree of personal responsibility, self motivation and development. Applicants in addition to being qualified accountants with planning experience should be outward going in nature with the initiative to work in a ropidly changing environment and the capacity to grow with the organisation.

Please reply in confidence quoting ref. L 271 to:

Brian H Mason Mason & Nurse Associates 1 Lancaster Place, Strand London WC2E 7EB Tel: 01-240 7805

Mason

& Nurse Selection & Search

# New Year Resolutions? Start 1987 with a new challenge in the City!

We are currently recruiting high-calibre young Chartered Accountants for three rapid growth areas within International Banking. As well as immediate challenge, these positions all offer first class future prospects with prime institutions.

**SWAPS** ACCOUNTING

This custanding opportunity follows the recent creation of a swaps unit by one of the world's leading investment banks. The position forms an integral part of a highly professional team responsible for all the bank's currency and interest rate swaps transactions. The main thrust of the role will be on assessment of swaps profitability and development of accounting systems to ranactions. I be many vill be on assessment of swaps profitability and development of accounting systems to keep pace with new products. The successful candidate will be a recently qualified "Big 8" Accountant with a first class academic record and the personality to

PROJECT ACCOUNTING

This position represents a highly challenging role within the central finance division of a front-ranking merchant banking group. Working closely with the Finance Director on all aspects of international business, the primary focus is on ad hoc special projects. The successful candidate will be a newly or recently ossified ACA of exceptional ability and by definition a "high-flyer". Future prospects with this blue chip organisation are excellent, either within financial control or a product area of merchant benking.

TREASURY CONTROL

This major British banking group has a modern and aggressive Treasury Division—the emphasis is on new product trading and sales in areas such as futures, options and sways. Essentially a "controllership" of a major business area, the current appointment demands both finely tuned communication skills and the ability to contribute to far-reaching systems development projects and new product nolicies. Carrer projects

Please apply directly to Felicity Hother on 01-606-1706

Anderson, Squires Ltd., Bank Recruitment Specialists, 127 Cheapside, London EC2V 6BU

Anderson, Squires

# **Financial Director and Company Secretary**

up to £30K + car

Rural Midlands – Process Industry

Part of an International Group, this metal processing company is currently enjoying a healthy growth in turnover and profits. As a result of a recent reorganisation, there now exists a vacancy for a Financial Director and Company Secretary. Reporting to the Managing Director, you will be an impossive financial manager of graduate calibre who is able to assume full responsibilty for the accounting, computing and company secretarial functions, with the potential for general ment in the longer term.

Aged 35 to 50, you are a qualified accountant preferably ACMA or ACA, with at least 5 years' experience in financial management in a manufacturing process inclustry. You are thoroug versed in the preparation and interpretation of

detailed experience of costing, cash and credit control, systems development and the use of computers. Your planning and analytical skills will ensure an ability to advise on trends and best business strategies. In addition to being highly commercially oriented, you have a proven track record of success in financial control and innovation.

Along with excellent career opportunities, you will benefit from a highly attractive compensation package including profit share, car, pension scheme, medical insurance, and where appropriate, relocation assistance to the company's attractive rural Midlands base.

Please write or telephone for an application form or send a detailed CV to: D.J. Dewhirst, at the address below quoting ref: PBM/1216/FT.

**PA Personnel Services** 

6 Highfield Road, Edgbaston, Birmingham B15 3D] Tel: 021-454 5791

# Young Qualified Accountant A key role in Financial Operations

You are a recently qualified accountant (ideally ACA) looking for a company which will reflect your ambition, drive and enthusiasm, and offer you the opportunity to develop your

experience and broaden your career horizons. We are CNA RE, the London subsidiary of a major US Insurance Group. Established for 10 years in the UK we have become one of the leading reinsurance companies in the London narket, recently doubling operating capital

You will have a positive, lively approach towards your work, which will include financial operations such as statutory reporting, quarterly internal reports, investment analysis and financial reviews of reinsurers. The position

involves contact with management at the highest level, with the opportunity to develop your career with this go-ahead company.
In addition to your excellent salary and

career prospects, CNA RE offers a generous benefits package which includes a noncontributory pension scheme, mortgage assistance, private health insurance and a savings scheme.

Bavings screens.

If you want to put your career on the map with this exciting company, please telephone or forward a c.v. to Mrs. Virginia Monro, Personnel Manager, CNA REinsurance of London Limited, Fountain House, 125/135 Fenchurch Street, London EC3M 5DJ. Tel No: 01-626 3321.

c.£19,000 + Major Benefits

CNA REINSURANCE OF LONDON LIMITED

# **Challenging Overseas Opportunity**

An exacting overseas challenge is now available for a top calibre Chartered Accountant with at least five years post-qualification track-record of real achievement, With previous client involvement in the oil and gas sector in public practice, or relevant experience gained in industry, you will be capable of operating at a principal level and of demonstrating high professional, administrative and interpersonal skills.

Previous overseas experience would be an advantage. Based with our firm in Lagos, Nigeria, you will be rewarded with high job satisfaction and an attractive remuneration package appropriate to your role. Longer term career opportunities within AY internationally are first-class. In the first instance please send your CV to:

Roy Lecky-Thompson, Director of Personnel Arthur Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH. Telephone: 01-831 7130.

Arthur Young

# **PARTNERSHIP SECRETARY**

## Croydon

To £20,000 + car

A Partnership Secretary is required to strengthen the management team of a firm of consulting engineers which has enjoyed continuous growth since it was founded in 1968. The partners' emphasis on high quality work has enabled the practice to build up an impressive list of prestige clients in both the public and private sectors.

The successful candidate will take responsibility for all aspects of the finance, secretarial and administrative functions with a particular emphasis on improving management information and developing the use of computers and other forms of office automation.

Applicants, aged between 30-45, must be computer literate and should have a small firm, service industry background. Previous experience in a professional partnership would be an advantage. Whilst there is a strong preference for a qualified accountant or Chartered Secretary, this need not exclude other candidates with exceptionally relevant experience and personal qualities.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref. 2734/FT to G. J. Perkins, Executive Selection Division.

The Business Partners Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011

## **STEPPING STONE**

Cambridgeshire £Negotiable + Car + Relocation As an ambitious graduate ACA, who qualified with a top professional firm, you are seeking a career path within an expanding public company. In return for genuine career prospects, you must have gained experience of manufacturing industry either within the

profession or with a commercial company. You will undertake operational and some financial audits, carrying out management reviews including introducing real-time computer systems. The emphasis will be on a practical problem solving approach

offering considerable scope for initiative in achieving the objectives set by Senior Management. Particular attributes required will be objectivity, maturity and clear concise communication, both verbally and in writing. The Company is a diverse manufacturing group whose continuing

development through a planned programme of acquisition and organic growth provides regular opportunities for promotion into line roles. The salary package will reflect the importance of the role and is entirely dependent upon your ability and experience. For more information contact Andrew Cook, Regional Manager or send a full

c.v. with covering letter. Telephone: (0727) 35116 (out of hours (0442) 67661)

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## FINANCE DIRECTOR SHEFFIELD

NEEPSEND plc wishes to appoint a qualified Accountant as Group Finance Director to immediately succeed the present Finance Director who is relinquishing executive duties. The post will also

include the role of Company Secretary.

The Neepsend group consists of eight autonomous subsidiaries in the Sheffield/North Derbyshire area and three companies in Canada. The combined turnover is £20m the main activities being engineering, tool production and metal processing. Following a period of retrenchment the Group is planning to grow both organically and by acquisition

and a challenging future is envisaged.

Ideal candidates will be commercially orientated and experienced in corporate fund raising, city liaison, acquisition negotiations, etc., as well as internal financial control in manufacturing industry, data processing and secretarial practice. Persons under 35 are unlikely to have had the necessary

An attractive remuneration package and relocation expenses will be offered.

Please apply with curriculum vitae to: The Chairman

NEEPSEND plc Lancaster Street, Sheffield S3 8AQ

# Accountancy Appointments

## Finance and administration manager

**Board prospects** Oxfordshire, c£25,000 + car



This autonomously managed subsidiary of an international group has significantly improved turnover in the last year to £10 million, creating an opportunity for an able financial controller. Its activities encompass the design, project management and sale of specialist engineering equipment and test facilities primarily for the automotive industry.

A vital member of the senior executive team and managing a department of 18, you will report to the MD and take responsibility for all financial and management reporting, and general administration. The emphasis will be an planning, the improvement of computer-based management information systems to cope with expansion and significant input to commercial policy.

Qualified and in your 30s, you must be a strong management accountant with the energy and personal skills necessary to contribute directly to profitable growth. Please write, enclosing your curriculum vitae and daytime telephone number to Stephen Blaney, Ref B333.

Coopers & Lybrand Executive Selection

Coopers & Lybrand Executive Selection

Albion Court

# Personal Investment Banking

A leading clearing bank is expanding its personal investment banking group, the major elements of which are retail stockbroking, unit trust operations and related investment products. The holders of the two positions described below will play key roles in the further development of this expanding business.

## Management Accountant c. £35,000 + car & normal banking benefits

Reporting to the group's Financial Controller, responsibilities will include

the development and preparation of the group's management information to enhance profitability.

Candidates, aged around 35, will be qualified accountants, ACMA or ACA, with experience of either the f.m.c.g. or service sectors.

Financial Accountant £28 - 30,000 + car & normal banking benefits

Reporting to the group's Financial Controller, the role will initially involve the design and implementation of the group's financial accounting systems, and their subsequent management and operation.

Candidates, aged around 30, will be accountants, ACA or ACCA, with several years' post qualifying experience, preferably in the service sector.

It is planned that the group will grow rapidly in the next few years. Candidates must have the intellect, personality and technical ability both to manage and develop with this growth.

Please reply to Martin Manning, in strict confidence, enclosing full personal and career details, quoting reference 1693/FT for the Management Accounting role, and 1694/FT for the Financial Accounting role, on both envelope and letter.

Management Consultancy Division



# **Group Management Accountant**

Hampshire

Salary not less than £25,000

This major service organisation, with revenue in excess of £200m, has expanded dramatically through the aggressive marketing of new business areas and the use of innovative

Reporting to the Group Finance Director, you will be responsible for ensuring tight financial control, through the provision of detailed management information, review of provision of detailed management mutuality, review business plans, preparation of revenue and capital bud and special assignments. Instigating new policies and procedures in a complex and highly computerised environment, you will have substantial contact with the senior management of the operational subsidiaries and direct management responsibili for a staff in excess of 20.

This is a demanding, high-profile role for an ambinious and forceful qualified accountant, ideally aged 35-45, who has gained a comprehensive group management accounting experience in a progressive and diverse business environment Candidates must be able to demonstrate a high degree of commercial awareness and excellent management and

There exists ample opportunity for career development within this organisation. The remuneration package will reflect the importance of the position to the organisation and will, of course, include a car and other

To apply, please send cv, indicating current salary, in confidence to Fions McMillan, Ref: 1190/FM/FT.

PA Personnel Services

Executive Search · Selection · Psychometrics · Remanuration & Personnel Cons

Hyde Park House, 60a Knightsbridge, London SWIX 7LR. Tel: 01-235 6060 Teles: 27874

# Financial Controller

A positive business role

International Banking City base c£43,000+car+banking benefits

Our client is the London based subsidiary of an established and enterprising European bank, now poised to increase its UK commercial

As part of the key management team, the successful candidate will be responsible to the General Manager for the co-ordination of all management, group and statutory reporting, all aspects of business administration and overall EDP systems management, to facilitate

and treasury business.

improved financial analysis of the bank's products and profitability. He or she will also have responsibility for financial planning and will take active part in the formulation of business

Ideally, candidates will be chartered accountants in their early 30's, with 4-5 years' experience in the small to medium sized banking sector. The role calls for professionalism, credibility and independence, balanced with a willingness to play a "hands-on" role

A generous remuneration package has been designed to attract the right candidate.

Please apply enclosing a full CV in confidence quoting ref. MCS/3014 to: Tracey Phillips **Executive Selection Division** Price Waterhouse **Management Consultants** No 1 London Bridge

Price Waterhouse



# Internal Auditor

£19,000 + Benefits C. London

Our client, a leading international bank, requires an Internal Auditor. The position represents a positive career step for a person wishing to enter the progressive and highly rewarding area of international

The successful applicant will need to be a self motivated professional with ability to deal with all levels of Management and must be capable of making a positive contribution to the continuing development of the administrative systems. Some EDP experience would be preferred.

Reporting to the overseas based Head Office, the successful candidate will be responsible for implementing a programme of internal audit projects. For a recently qualified chartered accountant, or an experienced internal auditor, this represents an outstanding opportunity to assume

greater levels of autonomy and responsibility. Applications giving full personal and career details should be

submitted quoting reference SHA. 849 to David Marks ACA, at Stoy Hayward Associates, Management Consultants, Executive Recruitment Division, 8 Baker Street, London, W1M 1DA.



## **Stoy Hayward Associates**

MANAGEMENT CONSULTANTS A member of Horwath & Horwath International

Venture capital organisation seeks enthusiastic accountant as

## **OPERATIONS MANAGER** Cardiff Up to £20,000

The Welsh Development Agency's Investment Division provides equity and loan capital to developing concerns, primarily providing start-up and early stage expansion capital. Its current portfolio is valued at around £30 million and comprises about 300 companies.

Reporting to the Executive Director of Investment, the Operations Manager will be responsible for monitoring the investment portfolio; developing reporting systems and producing timely, accurate and relevant management information; preparing budgets and corporate plans; and carrying out a wide range of special projects.

Candidates should be qualified accountants, aged 30-45, who combine a knowledge of management accounting with exposure to computerised systems. Investigations or insolvency experience would also be of assistance in the monitoring aspects of

Please send a comprehensive career resume, including salary history and day-time telephone number, quoting ref. 2738 to G.I. Perkins, Executive Selection

△Touche Ross

The Business Partners Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

# Director of Finance

c.£40,000 plus profit share **Bucks** 

Our client is no ordinary company. Unknown today it plans to be a household name by the end of the year and the market leader with a multi-million pound turnover. In a few years time there will be a European dimension.

You will not just be in charge of the finance function. To do this job you must have in-depth experience of handling company flotations, acquisitions and raising finance. You will need to have first-class contacts with all the right

To be successful with this company you will have to work hard and long hours and be totally flexible. The rewards will be exceptional and will include profit share, car and in due course, share options.

Interested? Then please write immediately, in confidence, enclosing CV and stating how you meet the requirements, to David Bennell,

MSL International, 52 Grosvenor Gardens, London SW1W 0AW. Offices in Europe, the Americas, Australesia and Asia Pacific.

**International** 

**Executive Search and Selection** 

# **Financial Controller**

High growth food manufacturing and distribution company N. Home Counties • Board Prospects • c. £25,000 + Car

Two years from now, my client is likely to be double its current size and operating from several-locations in the U.K. and possibly also Europe.

One of the critical elements necessary to ensure that this very real opportunity is achieved, is to strengthen the management team by the appointment of a high calibre young finance professional who can mature quickly into a full board role. The company has a current unnover in excess of £10m.

The Finance Department is currently quite small and operating under the significant pressures of explosive growth and an accelerated programme of computerisation. As a result it is not currently able to be as effectively constructive with the other line departments as is desirable and necessary. Your immediate objectives will be to establish positive leadership of the Finance function and to provide a comprehensive financial advisory service to the senior management team of which you will provide a comprehensive financial advisory service to the senior management team of which you will be an important member. Your role is then likely to be expanded to include other administrative and

line functions in the company. The post should be attractive to qualified accountants in their early 30's whose career ambinions lie in the small/medium sized environment. Essential elements of experience must include both financial and manufacturing management accounting, management of a small team and development of computer systems. Familiarity with foreign exchange accounting is highly advantageous. An ability to work effectively as part of a small, well knit management team is, of course, vital. Employment conditions include a very competitive fringe benefit package. Applicants of either sex should apply in confidence to Michael Johnson on (0962) 53319 (24-hour service) or write to Johnson Wilson & Partners Ltd., Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX, cnoring ref. 725.

Hampshire SO23 7DX, quoting ref. 725.



Johnson Wilson & Partners

## **GROUP CHIEF ACCOUNTANT**

International Investment Group

£18,000 + Car

OUR CLIENT is an international investment Group with companies in most of the world's major financial centres. For its new UK service company we are seeking a Group Chief Accountant who will be responsible for the running of the small Central London office.

THE ROLE includes responsibility for the accounts of the holding company and some of the overseas subsidiary companies. The companies are involved in international trade and investment and dealing in securities and currencies. Additionally the successful candidate will be responsible for all administrative matters of the London office including computerisation and lizison with overseas companies.

THE REQUIREMENT is for a qualified accountant.
Experience of investment and multi-currency accounting would be an advantage but not a prerequisite. THE REMUNERATION PACKAGE will include a salary of

Piease reply in complete confidence and enclosing a comprehensive CV to the Managing Director

Tanstead Associates Ltd Executive Search & Selection

West End House, 11 Hills Place, London WIR 1AG

FAST GROWING MEDIUM-SIZED PUBLIC GROUP ENGAGED IN INDÚSTRIAL SERVIÇES REQUIRES PROFESSIONAL ACCOUNTANT TO JOIN

## **ACQUISITION** TEAM

or accounting and or ughly, communicates challenges

CANDIDATE

AN EXCEPTIONAL CAREER OPPORTUNITY! Full career and personal details to:

> Andrew Evans, Finance Director SCOTT GREENHAM GROUP PLC es Park Industrial Estate



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# Accountancy Appointments

# **Finance and Administration** Manager

c. £23,000 p.a. plus car London SW7

Our client is a growing and prosperous company retailing an exclusive and high class range of ladies wear through its West End outlets.

They seek a qualified accountant to manage the accounts function, handle a range of administrative tasks and give top calibre financial advice to senior management.

A mature and responsible person with experience of up-market retailing is required and with evident understanding of a business directed to a female clientele. A knowledge of French and of import procedures would be an advantage.

Applicants are invited to write with a full cv and daytime telephone number quoting reference

BinderHamlyn =

MANAGEMENT CONSULTANTS Trevor Austin, Executive Selection Division. Binder Hatalya Management Consultants 8 St Bride Street, London ECAA 40A

The most dynamic Accountancy firm in Corporate Finance is seeking Managers —

do you

fit the bill?

Our London based Corporate Finance Group was one of the first to be established within a firm of Chartered Accountants. Our experience is held in high regard by those who ought to know. And we've doubled in size during the last two years alone. As a result, we wish to recruit Managers who

match the following profile.

As an ACA with at least four years postqualification experience, you're probably not less than twenty-seven. You may be a senior member of an accounting firm. You might equally well be with a merchant bank, stockbroker or venture capital house, Wherever you are, you have considerable experience in raising capital. And you're hungry for a brighter

Your future with us will include an unusually wide and interesting range of work. You'll deal with full and overseas listings, share placings, and flotations on both the USM and the new Third Market. You'll raise venture capital, establish overseas companies in London, conduct corporate valuations, formulate and organise management buy-outs, and provide general financial advice to inesses in just about every field you can name.

On a more personal note, you'll be exceptionally able and a fluent communicator. You'll enjoy the City. You'll work hard under pressure and come back

We'll provide up to £30,000 and an appropriate car. Together with a significant step on the road towards partnership.

For further information send a full cv, including salary history, to: Tony Herron, Partner in Charge of

# Financial director (designate)

West London, to £30,000 + car



This is a new role and a key appointment in the development of a dynamic organisation within the information technology sector. Our client is the UK subeldiary of a major European based group with international coverage, renowned for its expertise in professional software services. Substantial growth is planned over the next five years and the current annual turnover of £8 million is scheduled to more than trebte.

Reporting to the Managing Director, with total responsibility for financial and management accounting, you will play a major part in directing the company's future. The control of profitability and productivity will be of paramount importance but, in addition, you will be involved in the evaluation of business and acquisition opportunities and will provide overall financial guidance to the management team. A qualified accountant, probably in your early 30's, you must have experience of management in a financial function, a strong commercial bias and a self disciplined approach. Experience of acquisition appraisal and corporate funding would be

Résumes, including a daytime telephone number to Janice Walden, Ref. JW.616.

Coopers &Lybrand Executive Selection

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# **△**Touche Ross

The Business Partners Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

# Appointments Advertising

£43 per single column centimetre and £12.50 per line Premium positions will be charged £52 per single column centimetre

> For further information call: Louise Hunter 01-248 4864 Jane Liversidge 01-248 5205

# US INVESTMENT BANK **FUTURES**

ACA's 26-30

£30,000 PACKAGE

Our client, a dynamic and aggressive competitor in the Global banking sector, with a record of continuous and sustained growth in the UK, has an immediate requirement for an individual to head-up a small team accounting for and controlling their futures trading and broking operation.

This role will be developmental in nature and will require extensive liaison with both staff and management. In the short-term prospects for intrinsic growth are excellent and thereafter a strong career path within the organisation is guaranteed.

The successful candidate will have been involved in bank or commodity broking audits and have knowledge of Foreign Exchange requirements. In addition to a strong academic background the individual will be both innovative and enterprising, possess excellent interpersonal skills, and have the ability to motivate staff in demanding situations.

The salary package will consist of a high base salary, bonus and motor car. For further details please telephone Keith Allen or David Ryves on 01-930 7850, or write giving brief details to the address below:

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

66-68 Haymarket · London SWIY 4RF Telephone: 01-930 7850

International banking

# mbitious Accountant

Central London

c.£22,000 + banking benefits

This is an unusual and challenging career opportunity for a young, ambitious qualified accountant to work closely with and report to the Chief Executive Officer — UK, of this

expanding international bank.

The bank, which employs some 800 staff in the UK, is poised for a period of dynamic growth and organisational change and, in anticipation of the demands which these developments will bring, the CEO wishes to strengthen his

A management company is currently being established and you will be responsible for its successful formation and

requirements.
This important corporate role will involve analysing the returns from the local business

the development of appropriate accounting procedures which satisfy ongoing statutory

units, advising on and highlighting potential areas of concern, culminating in reports for submission to the head office overseas. In addition, you will be actively involved in the preparation and completion of the regional budget, working in close harmony with the senior management of

Likely to be aged 24-30, you have gained experience in a bank or in bank-related work in an audit firm. A highly motivated individual with initiative, common sense and the ability to communicate well at senior management level, you will have the desire to become fully involved in the

operations. You should also have the capacity and ambition to take on progressively more responsibility in the future.

To apply, please send cv, in confidence, indicating current salary, to Fiona McMillan, Ref. 1204/FM/FT.

PA Personnel Services

Executive Search - Selection - Psychometrics - Renumeration & Personnel Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

# ACCOUNTING IN THE TRAVEL INDUSTRY

Minimum £15,000 p.a. + car + substantial benefits
Eurocamp is one of the country's leading specialist holiday
companies and the largest summer tour operator in France.
We require an enthusiastic self-starter to join our young
and energetic management team who will:

— Manage a small but very active Accounts department;

— Produce Annual Accounts, Monthly Management Accounts,

— Produce Annual Accounts, Monthly Management Accounts, Budgets, etc.;
— Provide support generally to our Financial Director in a whole range of other associated areas.
The successful candidate will probably be a qualified Accountant with two or three years' relevant post-qualification experience, willing to adopt a "shirt-sleeves" approach and be a good organiser and communicator. Some knowledge of French, while not essential, would be a further advantage.
We offer a challenging position and the opportunity to develop your career in a fast-moving, growth-orientated and highly successful company, based in the pleasant Cheshire market town of Knutsford. town of Knutsford.

An attractive salary package is on offer and assistance with relocation will be given where necessary.

relocation will be gard to:
Please apply in writing to:
G. C. Harman F.C.A.
EUROCAMP TRAVEL LIMITED
Edmundson House, Tatton Street, Knutsford
Cheshire WA16 6BG





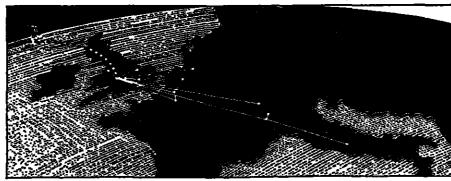
LECTURESHIP IN ACCOUNTING

in the

DEPARTMENT OF ACCOUNTING AND MANAGEMENT SCIENCE

As part of a major expension in accounting and management science at the University of Southampton, applications are invited for a new post from candidates whose interests and qualifications are in any area of accounting and finance. A related interest is management or behavioural science or information technology would be welcomed. The successful applicant will be expected to contribute to both research and teaching, applicant will be expected to contribute to both research and teaching, applicant will be interests currently involving a number of lecturers and and management science. Information technology is an expanding area of the Department's interests currently involving a number of lectures and externally funded research fellows. The appointment will be made on a permanent besit. Salary will be in the range f3,020-015,700 (under review) and may be at or near the upper post of the currently involving and may be at or near the upper post.

# **Computer Auditor**



Varity's outstanding DP facilities are the result of a massive investment in hardware and applications. We are committed to achieving the highest levels of business sophistication and efficiency. And using wide-band satellite communications across the Atlantic, that means on a world-wide

Right now we have a challenge that any ambitious Computer Auditor can't afford to miss. You'll work as a member of the European Audit team, based at Stoneleigh in Warwickshire, assessing the effectiveness of computerised accounting systems and data processing activities throughout Europe.

This will involve frequent travel to our subsidiaries in the UK, France, Italy and Germany, where you will liaise with all levels of Management, You'll also provide Computer Audit consultancy to the group.

We're looking for an Accountant or DP

professional with a track record of reviewing business systems. Preferably you'll have spent at least a year in a professional Computer Audit capacity and a knowledge of French and/or Italian is desirable but not

Salary is negotiable up to £18,000 according to experience; and benefits include a company car. Relocation assistance is available where necessary.
Please send full career details or

telephone for an application form to Beverley King, Human Resources Adviser, Varity Corporation, PO Box 62, Banner Lane, Coventry CV4 9GF. Tel: (0203) 472005.



The Varity Corporation is an equal opportunity employer.

# U.S. EXPATRIATE TAX CONSULTANT

**AUSTRALIA** 

Sydney

to £20,000 plus relocation

Ernst & Whinney is one of the fastest growing accounting majors in Australia with a fully comprehensive range of financial services.

Continuing practice development enables us to offer an excellent career opportunity to an ambitious professional aged 26 or more and with a minimum of 2 to 3 years' experience in U.S. expatriate tax consulting.

Reporting to a Partner, responsibility will be for: The preparation of U.S. Federal and State individual income tax returns

The provision of a wide range of taxation advice to expatriate clients The preparation of regular tax bulletins The control and management of all matters relating to costs and fees

Key attributes of the successful candidate will be:

A sound technical knowledge

The ability to organise and work under minimum supervision Above average communication skills at all levels

A Senior Taxation Consultant from Sydney Office will be visiting London during the week starting 12 January 1987 and will be conducting interviews then.



l Lembeth Palace Road, London SE1 7EU, Tel: 01-928 2000.

OUR LINE OF BUSINESS IS IMPROVING YOURS

# Accountancy Appointments

# Accounting for all tastes

Ours is a dynamic enterprise. One of the fastest developing businesses in the retailing industry-tiself, the fastest growing business sector in the economy-Tesco is a diverse and complex operation in financial

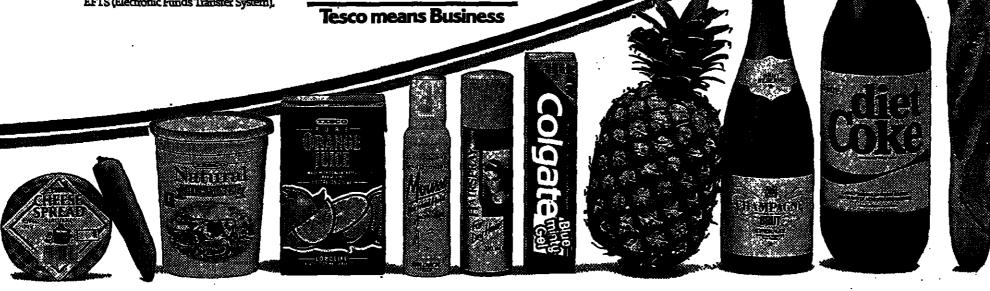
With a £3.3 billion tumover generating profits of over £122 million, our professional in Financial Management have helped to achieve what Analysts readily recognise as one of the top P/E ratios in the industry.

Combining financial expertise and accounting skills with an overall appreciation. of our operations, their involvement ranges from corporate investment policy to powerful new Treasury systems. In financial services, they are advancing initiatives in EFTS (Electronic Funds Transfer System).

ATM (Automatic Teller Machines) and MIS. Spearheading developments in other key areas are professionals in Research. Buying Marketing Merchandising Property. Distribution, Computing, Personnel, Technology and Store Management Together they represent the specialist skills which make Tesco retailing one of the most sophisticated and advanced operations of

This is what we mean by business, and why we are an ideal environment for professional talent. Look out for specific appointments in the press.

TESCO



# FINANCIAL DIRECTOR

Southend Airport, Essex

Up to £20,000 + car + benefits including substantial travel advantages

We are the Engineering and Maintenance Division of a dynamic, fast growing and profitable charter and commuter airline based at Southend Airport. Group turnover in the last 4 years has grown from £5m to £26m and is expected to be in the region of £35m for the current financial

As part of a small but highly professional management team, the Financial Director will be required to appraise operational activity, direct strategy and implement new and cost effective systems within the Engineering Division. This Division services both in-house and third party customers and has a turnover approaching £5m per annum.

The successful candidate will be a qualified Accountant aged up to 30 years with at least 2 years' experience in industry/commerce. We require an assertive, positive and energetic indi-vidual who has the ability to very quickly make a contribution in the general management side of our Engineering operation.

An attractive remunerative package is offered with opportunities for travel through the Group's interline facilities.

Interested applicants should write to the Managing Director, Box A0371, Financial Times, 10 Cannon Street, London, EC4P 4BY.

# Finance Director Designate

**West of London** 

circa \$20,000 + Car

This dynamic, private computer services group operates very profitably through branches in the United Kingdom and on the Continent.

Realistic plans are for the multi million pound turnover to continue its dramatic yet soundly based growth, and the current requirement for appropriate financial management skills is a direct result of expansion. Suitable applicants will be mature and committed, qualified accountants over 30, not only with previous experience of financial management but with a practical approach to the routine accountancy functions.

Also essential is the commercial flair and

acumen to make a positive contribution to management decisions. The groups International and diversification ambitions will enable the person appointed to exercise the widest range of professional and entreprendical skills and

career and personal details to:

Overton Management Selection, 3 Berkeley Square,

career prospects are quite outstanding. Interested applicants should send full John Overton FCA, Managing Director.

London WIX 5HG. or telephone 01-408 1401 for an application form quoting reference 10/1139/FT

# **Finance Director**

Start-up company

Slough

c. £40,000 + car

Our client is starting an exciting venture which will deliver a service across the UK from a head office in Slough. The use of high technology should give a uniquely competitive edge in the chosen market. There is a turnover target of £125m in the first year and finance is available to fund a very rapid expansion.

We seek a qualified accountant to head and build up the finance function, and to represent finance and administration on the Management.

finance and administration on the Management

Candidates should be under 40 with 5-10 years'

successful record of managing professional and clerical staff in the widest possible range of functions and mergers, and computerised processing of management \$350 financial data. Someone who can sustain a high profile in what will become a major company is recorded.

experience of negotiation with financial institutions, and a

concern with the company is required, and appropriate rewards will be available. The job could also acquire later a European dimension Please send your cv immediately, in confidence, to Humphrey Start, Ref: 1221/HS/FT.

**PA Personnel Services** 

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telen: 27874

JERTON APPLICATIONS ARE WELCOMED

# **Financial Controller**

Small Company Background

c £23,000 + Car Qualified Professionals, identifying with the small company environment will find this new opportunity both challenging and

rewarding.

A dynamic, fast moving business with a high calibre workforce, my clients factor and distribute high value products to markets in the Soviet Union and Eastern Europe.

As a practical Accountant and with the minimum of support, you will

As a practical Accountant and with the minimum of support, you will be responsible, as a member of the Management Team, for Cash and Asset Management, producing all Financial and Management Accounts as well as consolidating accounts of subsidiary companies and Company Secretarial duties. In addition, you will advise on the matter of external investment, and corporate structures to attract the same.

Aged 30-40 and living within reasonable daily travel, applicants should have the confidence and authority to represent the company at City Institutions and be familiar with Accounts Preparation and Company Secretarial duties in a multi-currency business utilising a computerised accounting system.

Please write with full curriculum vitae to include relevant company financial information and current remuneration to-Robert Little, PER Management Selection, 12a Commercial Way, Woking, Surrey GU21 1HG.

PER Management Selection

# FINANCIAL CONTROLLER

W. London

£22,000 + Car

This major international group specialising in the Retail Sector wishes to appoint an ambitious, young qualified accountant for this key management role.

Reporting to the Finance Director you will assume responsibility for the day to day control of the finance department encompassing all aspects of financial management, special reports for presentation to the board, plus the supervision and control provides a perfect of the post of the next two years will be to introduce a new computer system.

The successful applicant is likely to be under thirty with a proven record of achievement since qualifying and who can demonstrate real manmanagement skills.

If you are interested in this position please send a detailed curriculum vitae to Richard Green quoting reference number 3353.

Duniop&Badenoch

Financial Recruitment 60 Mark Lane, London EC3R 7NE. Tel: 01-265 0377

## **ACTIVE PARTICIPATION IN CHANGE Recently Qualified ACA**

Central London with International Travel International Travel
You are not a career auditor but an agent of change. This is your opportunity to establish high level contacts within a progressive organisation which is a regenerated U.K. world leader in high technology applications. Your challenge will be to participate in revitalising every aspect of its business by adopting the principle that business goals are the primary objective. You will be offered a broad range of work in the U.K. and overseas, combining financial auditing with critical assessment of activities. As part of its revitalisation plan you would be required to leave the audit function taking your in-depth knowledge of this unique business and its management into a line position.

If you wish to be considered for this role within a singular environment. please telephone, or write enclosing a c.v. to Richard Small quoting reference CG178.

Telephone 01-256 5041 (Out of hours (023065) 286)



Management Personnel

10 Finsbury Square, LONDON EC2A 1AD.

# Group HQ Accountant

Central London

Our client is an "Alpha stock" British group with an outstanding record of organic and acquisitive growth, an international spread of operations and

consistently high return on capital.

The pace of growth creates the need for an additional accountant to strengthen the HQ finance function. Initially the emphasis will be on treasury and cash management, leading on to consolidation, group accounting and management reporting - a first class opportunity to gain experience in all aspects of financial management in a major plc.

to around £15,000

Candidates, male or female, age mid-20s to early 30s, probably qualified accountants, could come from the profession, industry, commerce or financial services. With a real interest and some experience in microcomputer applications, they should ideally also be familiar with either the treasury function or public group accounts

DIEDRIATION. Initial salary negotiable to around £15,000 plus BUPA and other benefits.

Please send career details, in confidence, to D. A. Ravenscroft.

Ravenscroft & Partners

Search and Selection 20 Albert Square, Manchester M2 5PE

## **IMMEDIATE** PARTNER VACANCY

A substantial Sussex Coast firm of CHARTERED ACCOUNTANTS has an unexpected vacancy for a PARTNER.

PARTNER.

The successful applicant will be under 40 and will have trained and/or had post-qualification experience in a medium-sized provincial practice. A good corporate tax background would be an advantage but the prime requirement is the ability and personality to handle successfully a broad portfolio of audit, tax and general practice clients and to participate fully in the continuing development of the firm.

No capital injection is required. A substantial salary will be paid for a brief introductory period, to be followed by admission to partnership.

A fully detailed curriculum vitae to be sent to:

The Senior Partner, Box A0370

Financial Times, 10 Cannon Street

London EC4P 4BY Confidentiality will be strictly observed.

# **FINANCIAL**

The prime responsibility of this newly created position is to take complete financial control of a Bureau Billing Service. Based in N.W. London, the duties will include credit control and responsibility for a number of subsidiaries in the Group. A knowledge of computer systems is desirable.

systems is desirable.

The successful applicant will ideally be a qualified accountant, preferably ACMA or ACCA and be aged between 30-45. The package will initially be worth 20,000 p.a. to include a company car and membership of BUPA. Interviews will be carried out in London. Applications in the first instance in writing, enclosing a current CV to: David Lunt, Group Financial Controller



Vallis House, Vallis Road, Frome, Somerset BA11 3EG

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# Accountancy Appointments

# Creative Financial Management!

# **Financial** Manager

North London

The U.K. is about to experience a unique concept in retailing. An incredibly successful formula which has seen our Swedish based Company grow so dramatically that we now employ over 11,000 people, in 75 stores and 18 countries, and have a turnover in excess of one billion pounds.

But IKEA is more than just a fast-growing furnishing and interior decor chain. It is a lifestyle; a mentality; a fresh new living environment.

Design, product, display and sales techniques are all vital parts of our original approach, but the way we work is the true catalyst which creates the IKEA experience. We need special people to make our concept work. People with flexible minds, creative outlooks and the energy to respond to a truly dynamic Company. The kind of person who will make the most of our huge resources, career opportunities, and the freedom

of action to be a success.

One such individual will be our Financial Manager who, working as part of a small senior management team, will take responsibility for financial control, accounting, preparing final accounts and commissitation within the U.K. Company, together with budgeting, financial planning, forecasting, policy development and iloison with Sweden.

We envisage a fair amount of international travel so you must have a stable home life which allows you to spend periods away. You will be young, educated to degree standard supported by a professional accounting qualification, and you will demonstrate a creative, ssional approach to Financial Management. We want you to contribute to our success

You will have at least 4 years post qualification experience which may have been gained in a large accounting practice or in-company. A retail background could be useful. Based in Brent, North London, rewards are excellent including a substantial salary together with a range of executive benefits and a Company car.

If you have the commercial flair to take on real Financial Management write with full av.

and salary requirements to: Angela Wilson IKEA Universal House Weston Road Slough Berks. Telephone: 0753 76061



# Measurement Technology Limited

# Group **Financial Controller**

Bedfordshire c£23,000 + car The MTL Instruments Group Ltd is market leader in the design, manufacture and sale of intrinsically safe instrumentation for industrial process control in hazardous areas. This expanding market has seen the worldwide turnover of Measurement Technology Limited and MTL Incorporated (USA) approach £6 million since 1971 when the UK company was founded.

Privately owned and looking to the USM, the Group now seeks an experienced chartered accountant with Board potential to provide a full financial management service and represent the company to the City.

Asporting to the MD, you will take full responsibility for the UK company accounts function and for developing its computerised forecasting, reporting and cost control activities. You will also provide financial planning for the Group and deal with all statutory and legal matters.

Ideally aged 33–45, computer literate and probably with a degree, you will be positive, enthusiastic and convergent. Experience in accounting, finance and people

management in an engineering/manufacturing environ-ment are essential.

Your salary will be supported by an extensive benefits package which will include relocation costs, where appropriate.
To express your interest, please write with career

Tony Elilott, Personnel Menager, Measurement Technology Limited, Power Court, Luton, Beds. LUI 311. Telephone: Luton (0582) 23633.

## PAKISTAN INTERNATIONAL AIRLINES

ASSISTANT FINANCE MANAGER We are looking for a Chartered Accountant with the ability to grow with the Airline. Ideally the candidate should possess some post-qualification experience, though this is not essential. Responsibilities will include timely reporting of passenger/cargo sales, credit control, disbursements and budgetary control, funds management and compilation of other accounting/management information reports.

We have a computerised accounting system which conforms with our global reporting requirements. Mainly ours is a reporting branch operation.

Benefits include 25 days' annual leave, contributory pension scheme and rebated air travel for self and family as per

Interviews will be held before the end of January 1987 and selected candidates will be expected to join as early as possible. Please send your full applications before 20 January, 1987 to: The Admin Menager
PAKISTAN INTERNATIONAL AIRLINES
1-16 King Street
Pokistan International Airlines

1-15 King Street London W8 SHR



## ACCOUNTING ADMINISTRATOR

Have you the imagination to streamline the accounting and marketing support administration procedures from the very beginning, for a Dynamic new partnership introducing high quality SCANDINAVIAN products into U.K. for the first time to the following industries:—

HOSPITAL SUPPLIES - FOOD PRODUCTS FURNITURE & HOUSEWARES—INDUSTRIAL MACHINERY

FOOD PROCESSING & METAL WORKING INDUSTRY If you are a qualified Accountant with a flair for marketing analysis and support, cutting through red tape, send your resume to:-

SCANDINAVIAN BUSINESS SERVICES LTD. Tower Bridge Square 66 Gainsford Street

London SEI 2NB

# **Appointments Advertising**

£43 per single column centimetre and £12.50 per line Premium positions will be charged £52 per single column centimetre

For further information call:

Daniel Berry 01-248 4782 Emma Cox 01-236 3769

## FINANCIAL CONTROLLER CITY OF LONDON

Age: 30-35

Up to £40.000 + bonus + car

Our client, an international securities house requires an outstanding, ambitious Financial

Reporting to the Financial Director, the key responsibilities will be for all areas of financial control at divisional level, including:

preparation and consolidation of monthly management accounts for the divisional

 interpretation and analysis of monthly management accounts from subsidiaries; collection and analysis of monthly management figures from associated companies, both

 developing and maintaining systems for the monitoring of trading and credit exposures; investigation work in connection with potential acquisitions;

compilation of divisional budgets.

Candidates should be Chartered Accountants and must have experience of group accounts and of a multi function securities and finance operation. The salary is negotiable to £40,000 and there are attractive fringe benefits including a car and

Please send a comprehensive career resume, including salary history and day-time telephone number, quoting ref: 2739 to W.L. Tait, Executive Selection Division.

# The Business Partners

Hill House, 1 Little New Street, London EC4A 3TR. Telephone: 01-353 8011.

# COMMERCIAL ACCOUNTANT

Norwich

c£20,000 + car

Jewson Ltd operate a 160 strong national chain of Timber and Builder's Merchants which is growing rapidly. The Commercial Director seeks a fully qualified accountant to assist him at the Company head office near Norwich, in drawing up business plans for the Company, appraising potential acquisitions and overseeing the introduction of Jewson systems in acquired or greenfield development

Purchasing policies also fall within the responsibility range of the Commercial Director and his accountant will monitor the planning and control in this area as well as the specification and operation of a project control on company

The successful applicant will be thoroughly business orientated and will show a career to date which is evidence of this. The post offers exceptional career prospects together with an involvement in helping to further develop a multi million pound company.

Age range 28-35, in addition to salary a range of big company benefits are offered. Relocation help given in appropriate cases.

Write giving full C.V. and current salary details to:-Group Personnel Manager, Meyer International PLC., Villiers House, 41/47 Strand, London WC2N 5JG.

# **GROUP ACCOUNTANT**

To £20,000 + Car + Share Options

Four years ago this public group had one product, a declining market share and profits were little better than break even. Through the efforts of its new management the group's fortunes have altered characterally by establishing new markets for existing products and by acquisition. Tumover will be around £200m in the current year, profits are expected to treble and there are further acquisitious in the offing.

This new position is based in the small group Head Office and reports to the Senior Financial Executive. Responsibilities include inter alia sesisting in the development of new group accounting systems, assimilating new acquisitions into the group, treasury management, and various ad hoc

The successful candidate will be a qualified accountant aged 25-30 with approximately two years post qualification experience. Candidates should have an understanding of group reporting requirements in a PLC. Essential personal qualities are empathy with subsidiary company management, whilst appreciating the group's financial objectives. Prospects are excellent for an ambitious young

Interested candidates should contact Robin Rotherham on 01-541 5580 or write enclosing curriculum vitae quoting ref: 1293 to the address below.



6-8 Thames Street, Kingston-upon-Thames.

# Finance director

London, c£35,000



This rapidly growing Development company is operating successfully in one of London's most exciting property areas with tremendous potential for the future.

It now needs a Finance Director to provide close support to the Chief Executive in every aspect of the business. This is a demanding job which will cover every aspect of the company's finances from top level negotiations with sources of finance to hands on work involving computer systems in a tightly run environment.

Candidates, qualified accountants with extensive experience at all levels in commerce and industry, preferably including property development, will want to join a dynamic, exceptionally hard-working and very entrepreneumal company.

Salary is negotiable and the benefits package is very attractive, with a

Résumés including a deytime telephone number to John Sanderson Wetts,

Coopers &Lybrand Executive Selection

Coopers & Lybrand Executive Selection Limited

Shelley House 3 Noble Street London EC2V 7DQ

# **HEAD OF MANAGEMENT ACCOUNTS**

**Guildford** c.£21,000 + Car

Our client, the Hays Group, is a progressive, acquisitive group of companies with a wide range of interests covered by seven operating divisions. A world wide turn over in excess of £600 million is monitored by a small, highly qualified Head Office team based in modern offices in Guildford.

The installation of high technology systems allied with a requirement for increasingly sophisticated management reporting has identified the need for additional expertise to strengthen the existing team.

Reporting to the Group Financial Controller the primary function of this position will be overseeing the computerised consolidation of the group's management information packages, including budgets, forecasts and periodic accounts. Additional responsibilities will include further development of Head Office controls fully utilising such aids as computer graphics.

You will be a young (27-35) qualified Accountant with a large company background (preferably in a Head Office function), and will have had exposure to PC accounting packages, financial modelling and computerised consolidations. This position provides an immediate, substantial carear advancement, and the medium to long term prospects within the Hays Group offer limitless opportunities. Please reply in the strictest confidence either in writing (enclosing a comprehensive c.v.) or by talephoning the Manager at the address below.



# Accountancy Personnel Placing Accountants first

72/74 High Street, Guildford, GU1 3HE Telephone: 0483 64692

# Divisional **Finance Director**

Blackburn

£neg + car

Prestige Group UKPIC, the premier name in housewares with an enviable reputation worldwide now needs, as a result of an internal promotion, a Finance Director for its profitable bakeware division located in Blackburn, Lancashire.

The requirement is for a commercially aware, qualified accountant with a manufacturing background, capable of producing and interpreting information to a tight time schedule. Aged 30-40, candidates should be technically strong and have cost accounting and DP experience. A broad business background is desirable and total

If the opportunity to make an important contribution to the manufacturing operation of a successful group appeals, please send full career details to:

Ken Wallace, Operations Director, Prestige UK PLC, India Mill, Skew Bridge, Blackburn, Lancashire BB1 9SY.

## FINANCIAL CONTROLLER Milton Keynes

OUR CLIENT has grown quickly into one of the leaders in the business travel, incentive

THE REQUIREMENT is for a young profit-minded qualified accountant whose outlook and commercial experience is relevant to the creativity innovation and hard work that clearly have been the basis of the company's success to date and are important to future growth. THE TASE is to head up and to develop the effectiveness of the finance function in the Goop covering financial, management and statutory accounting, treasury, company secretarial work, some administration and to develop systems of internal and financial control. The environment is busy and immediate. Of particular importance is the input of financial expertise to the planned growth and diversification of the business. THE REMUNERATION PACKAGE of c 220K plus car is flexible. A directorship is

envisaged in the medium term. The Board see this new ptyotal appointment as a major career commitment as a leading member of an established management team. Please write in complete confidence to the Managing Director

Tanstead Associates Ltd

Executive Search & Selection West End House, 11 Hills Place, London WIR 1AG

a member of the Tanateed Professional Group

# Accountancy Appointments



RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH Tel: 01-588 3588 or 01-588 3576 Telex No. 887374 Fax No. 01-256 8501



## FINANCIAL CONTROLLER

**ESSEX** 

£23,000-£28,000 + CAR

\$20 MILLION TURNOVER FAST GROWING MARKET LEADER IN MEDICAL AND INDUSTRIAL OPTICAL

Promotion has created a vacancy for a Financial Controller to take overall responsibility for the Group's accounting, financial reporting and financial management. Applications are invited from Chartered Accountants, aged 27-35, with at financial reporting and financial management. Applications are invited from Chartered Accountation, agent 2700, with a least 4 years post qualification experience with a minimum of 2 years practical experience within commerce. The successful candidate will be expected to work closely with the Financial Director in the management of the Group's cash flow, foreign exchange and profitability and oversee the accounting and financial reporting function. A strong team already exists achieving the Group's strict deadlines and the successful candidate can count on maximum support. The accounting function is unusually well integrated with the mainstream activities of the company. A successful candidate with the flexibility function is unusually well integrated with the mainstream activities of the company. A successful candidate with the flexibility of mind to adapt to such involvement can count on a high degree of job interest, challenge and opportunity. Initial salary negotiable, £23,000-£28,000 + car, free B.U.P.A. (after one year), contributory pension scheme, free life assurance and assistance with relocation expenses if necessary. Applications in strict confidence under reference FC18632/FT, will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: C.J.R.A.

A new position combining analytical and technical accounting skills, offering opportunity for career progression



## **MANAGER — FINANCIAL ACCOUNTING — MERCHANT BANKING**

**LONDON EC2** 

£22,500-£27,500 + **GENEROUS BENEFITS PACKAGE** 

**EXPANDING INTERNATIONAL MERCHANT BANK** 

On behalf of our clients, we invite applications from Accountants (ACA, ACMA, ACCA), aged 28-32, with 3 years' post-qualification experience in an international bank or on banking audits within a major professional accounting firm. The successful applicant, leading a small and experienced team, will be responsible for statutory accounts, budgeting (using a microcomputer model) and technical assignments for senior management, risk monitoring and reporting, tax efficiency assessments, foreign exchange position and asset projections etc. The essential ingredients of this appointment are the ability to work effectively and accurately under pressure, and retain an objective commitment to meeting deadlines, with the potential, as the next step, to take an experience of the potential and the next step. The potential is a potential of the potential as the next step, to take a potential of the potential as the next step. Initial salary negotiable £22,500-£27,500 + generous banking benefits, including non-contributory pension, mortgage subsidy, free medical and life assurance. Applications in strict confidence, under reference MFA 126/FT, to the Managing Director: A.L.P.S.

initial one year renewable contract with prospects of becoming Financial Director of this long term project



## FINANCIAL CONTROLLER — SPORTS AND LAND DEVELOPMENT CO.

PORTUGAL - ALGARVE

C£20,000 WITH LOW TAX + BONUS. HOUSING, CAR

MAJOR NEW GOLF, LEISURE AND RESIDENTIAL DEVELOPMENT CONTROLLED BY SUBSTANTIAL BRITISH INTERESTS

For this new appointment, applications are invited from qualified Accountants, preferably ACA, aged 30-55. The younger candidate will have a minimum of 5 years broad post qualification business experience to include ideally a background in the commercial management of similar large projects. More mature candidates will be expected to demonstrate an outstanding record at senior level in financial management control of substantial overseas operations. A knowledge of Portuguese will be advantageous. Reporting to the resident Managing Director and liaising closely with other Board members, shareholders and advisors, the successful candidate will be responsible, supported by a small team, for all aspects of the financial management of this project. This will include budgets, forecasts, cash flow monitoring/planning. mangement reporting and the further development of financial procedures and controls. The ability to meet objectives with the minimum of direction plus total flexibility and the will and attitude to contribute to overall policy and success are essential. Initial salary, with significant tax benefits, negotiable C£20,000 plus performance related incentive, furnished housing, car, life insurance, medical cover and annual leave with passages. Applications in strict confidence, under reference FC 125/FT to the Managing Director: A.L.P.S.

35 NEW BROAD STREET, LONDON ECZIN 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-258 8501

# **AMBITIOUS ACCOUNTANTS**

## one of our most crucial investments

£18-£25K + excellent benefits · Central London

Out of assets of over £20 billion managed world-wide by the Prudential, some £17 billion is invested from our London head office by Prudential Port-folio Managers (PPM), the Prudential's investment management company and the UK's largest single institutional investor. institutional investor

The sheer size and diversity of our activities The sheer size and diversity of our activities offers scope for talented accountants which few companies can match. In our rapidly expanding business, where new products and markets are being continually developed, the Finance Division performs a critical role. From strategic planning to special projects accounting, the challenges call for agile minds and ambitious talents.

The following three years are the process of the content of the challenges are the challe

The following three vacancies have arisen due to internal promotion and expansion into new areas. They call for professionally qualified accountants with diverse skills and varying depths of experience. Nevertheless, they all offer one common incentive: a matchless opportunity to stretch your talents and broaden them into new areas of expertise.

## Manager: Project Accounts c.£25K

As Manager of the Project Accounting Section, you will be responsible for a team of three accountants. With the expansion of our existing businesses and the development of new initiatives, you will be required to develop systems to co-ord and improve the financial reporting and control within the Group. Your job will also entail identify-ing areas of weakness, defining project terms of reference and managing the projects through to implementation. The post calls for an accountant with good commercial awareness and a strong personality. As the manager of other accountants you must be capable of leading by example. You will probably be in your late 20's/early 30's and have solid management accounting and project management experience.

Financial Accountant c.£18K

If you are a recently qualified accountant either from the profession or industry/commerce, we can offer you an excellent career move.

As PPM's Financial Accountant, you will be responsible for providing a full financial accounting service in respect of the PPM Group and subing service in respect of the PPM Group and sub-sidiaries, ranging from consolidations for the Group, statutory accounts, computerised and manual ledger systems and corporate tax affairs. You will also gain considerable experience in operating and developing our new enhanced computerised accounting system. Career prospects in our expanding business are excellent.

## Special Projects Accountant c.£20K

When a new financial product, service or company is being created, or internal reorganisation is being considered, the Special Projects Team advises on financial and related implications. These assignments, plus a wide variety of ad-hoc projects in accounting, financial and administrative areas, involve working in multi-disciplinary teams with exposure to many operational aspects of PPM such as marketing, legal, computer systems, taxation and other key areas. This is excellent commercial experience for an ambitious recently qualified accountant looking for investigating challenges beyond the basic accounting igative challenges beyond the basic accounting functions. Few positions offer a better chance to gain a broad overview of the business environment in the financial services sector. The successful candidate will have first-class communication skills in addition to commercial awareness and a professional disciplined approach.

The salaries quoted will be supported by a generous benefits package including subsidised mortgage and non-contributory pension scheme.

If you'd like us to consider investing in your talent, please write with full cv and in strict confidence to:

Patrick Margrave, Personnel Officer, Prudential Portfolio Managers Limited, 142 Holborn Bars, London EC1N 2NH.

**Prudential Portfolio Managers Limited** 

# **G**roup **F**inancial **D**irector

**Central London** To £35,000 + car

Our client is a young, rapidly expanding group of public companies, which has achieved considerable success in a growing market. Supplying a range of advanced electronic telling and communication equipment, and a sophisticated networking facility, they are now in a position to build upon their already substantial market share. As a consequence, a new position has been created for a Group Financial Director to take responsibility for all financial affairs and lay the foundations for the eventual attainment of a full listing.

This is a senior Board appointment demanding a broad range of financial and commercial sides. You must be a highly motivated qualified accountant in your 30°s, with sound experience of project management and strategic planning techniques, capable of taking an overall view across a diverse range of external projects and internal activities. Although ideally with some exposure to maintraine computer installations, ultimately it will be your commercial acumen and managerial ability that will establish you as a key board member, interfacing with large City institutions and responsible for determining the Group's financial future.

This is an excellent opportunity to join a dynamic organisation at an exciting stage of growth. In addition to a salary of up to £35,000+ cer, the company offers a comprehensive benefits package which includes pension, private health and executive share option

Applications giving full personal and career details, including current salary, should be submitted quoting reference SHA.850 to Samuel Seeger at Stoy Hayward Associates, Nianagement Consultants, Executive Recruitment Division, 8 Baker Street, London W1M 1DA.



## **Stoy Hayward Associates**

**MANAGEMENT CONSULTANTS** A member of Horwath & Horwath International



## NEW YEAR

Our clients a leading merchant bank in the City have an urgent need for the following, to join them in their planned expansion in 1987: FINANCIAL ANALYST F/Q-P/Q Latus exp, key role, varied position, excellent career path.

FINANCIAL CONTROLS MANAGER " (26) Systems development — full responsibility: 2-3 years' post quals — IBM 36 + PC exposure. Prospects to move within the group. CAPITAL MARKETS ACCOUNTS MANAGER

Fully qualified you will need an excellent track record and a merchant banking background. This is a new but senior role with excellent career CAPITAL MARKET ANALYST Newly qualified — exciting varied role — merchant banking and PC exp. All the above positions carry all the associated perks within this industry, eg 26 days holiday, non cont pension, BUPA, etc.

## **ACCOUNTS MANAGER**

This leading software company has a need through expansion for the above. This role demands versatility and flexibility for a newly qualified ACA, international travel and unmatched prospects and perks.

**NEW CAREER** 

ACCOUNTANT-MANUFACTURING £29-22k+Car

Expanding electrical company need a qualified accountant. Self starter — standard factory costing, projections etc. Promising prospects and perks include 25 days holiday, excellent pension scheme, full expenses, relocation, BUPA etc. For these and other vacancies contact Carol Groves or Howard d'Silva on 01-638 2683 or

HMS ACCOUNTANCY APPOINTMENTS 5TH FLOOR, 18/25 ELDON STREET LONDON ECZM 7LA

► HESTAIR MANAGEMENT SERVICES LIMITED \*

## **INBUCON**

## Commercial Leadership in a **Technological Environment**

Our Client, located between London and Birmingham is one of Britain's most technological/engineering based research companies, with an excellent record of achievement, financial stability and sustained growth; approaching a £6 million income with a staff of over 200. Candidates are sought for two senior appointments, at salaries of between £25,000 and £30,000, and of special interest is the fact that they hold the potential for substantial equity

FINANCIAL GENERAL MANAGER (DIRECTOR DESIGNATE) Ref 4162 As a member of the Board, reporting to the Chief Executive, to be responsible for all financial and secretarial as well as Personnel matters. Candidates must be professionally qualified, and those from a high technology or engineering environment and with some knowledge of corporate restructuring or acquisitions and funding will have an advantage.

COMMERCIAL GENERAL MANAGER (DIRECTOR DESIGNATE) Ref 4182 To formulate and action the company's Commercial, Business Planning and Marketing policy. He/she will be a member of the Board and report to the Chief Executive, Ideal candidates will have had experience in a company offering professional services, combined with technical credibility from an engineering or science based background.

The local age range is 35-45. The remmeration package will include car, pension scheme and health cover, as well as assistance with relocation where appropriate.

Please with vill career details, grading the relevant reference to A.C.N. Burden.

Please write with full career details, quoting the relevant reference to A.G.N. Burden.

INBUCON MANAGEMENT CONSULTANTS LTD. Executive Search and Selection, Knightsbridge House, 197 Knightsbridge, London SW7 1RN

# Financial Controller

London, c \$20,000, Car, International Travel Involved in servicing the international marine industry, our client is a rapidly expanding subsidiary of a successful US group. Planned future

growth of its worldwide network in areas of Central and Eastern Europe has necessitated a strong accounting function to be established in the UK. Reporting to the General Manager, the Financial Controller will take full responsibility for both finance and administration, lead a small team and assist in further devloping the companies management information system. This person, as a key member of senior management, must liaise closely with overseas operations. Regular fact finding and trouble shooting visits abroad will be required. Applicants will be qualified accountants aged 27-33 with drive, confidence and strong interpersonal and communications skills,

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: K.A. Carroll, Hoggett Bowers plc, Abbott House, 1/2 Hanover Street, LONDON, W1R 9WB. 01-409 2766. Quoting Ref; 750.

## Management Consultancy—

An Intellectual Challenge

£23,000 to £29,000

Make your mark as a Financial Management Consultant with one of the smaller up-and-coming City consultants. Your accountancy qualification and systems orientation will already have taken you to one of the top two spots in a division or headquarters of a large company. Move on now to an intellectually demanding role-interpreting, evaluating, recommending and implementing systems solutions for clients in commercial and governmental sectors. Here, you'll make an impressive impact at senior level mainly liaising with Production and Sales Directors. Make an impressive impact also on your career as opportunities abound to reward your achievements. Age range 27-34.

Curriculum vitae to Stephen Greenwood or Maggie Love

•LOVE + TATE • APPOINTMENTS

# ACCOUNTANT CHANNEL ISLANDS

This is an exciting opportunity for a young chartered accountant in the attractive environment of St. Peter Port, Guernsey.

We are an investment company and part of a major international group and as such enjoy access to sophisticated group resources such as large-scale computer hardware and programming capability. At the same time the small management team in Guernsey enjoys a high degree of autonomy in its decision making.

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# Sun Life abandons plan to restructure

By Mick Bunker. In London

SUN LIFE, the life assurance group, was forced to scrap plans for corporate restructuring yesterday when its biggest shareholder voted

them down.

The rebellion came from Trans-Atlantic Insurance Holdings, a UK-based financial services ofishoot of Liberty Life, South Africa's third-

At a special shareholders' meeting, TransAtlantic used its 25.7 per cent stake in Sun Life to veto a scheme for reorganising the group around Sun Life Corporation, a holding company created last year. Sun Life proposed its reorganisa-tion on December 8, to ease the group's diversification into finan-cial services beyond its core life as-Category processing ic visites, find hoc

surance business. This was because the holding company would not be subject to statutory controls which limit insu ance companies to insurance relat-ad operations. Several major insurers, led by the Prudential in 1978 have adopted structures resemblin Sun Life's scheme.

It needs, however, the backing of the least 75 per cent of votes cast at yesterday's meeting.

Mr Mike Middlemas, TransAtlanic's managing director, accepted he new structure in principle, but occused Sun Life of undue haste, inidequate safeguards for sharehol-lers rights and a failure to communicate with hig investors over its di-ersification plans.

"I suspect Sun Life just don't want any big shareholders at all,"

TransAtlantic began building its take in Sun Life in 1980 but has never obtained a seat on the group's

Mr Middlemas said that Sur Life's restructuring proposal would have threatened shareholders with dilution of their stakes.

"It is quite clearly in Sun Life's interests to go away and come back with new proposals for us to look at," Mr Middlemas said. That was liatly ruled out by Sun Life last

Sun Life's chairman, Mr Peter objections to the plan as "wholly unreasonable nit-picking" prompt-ed by pique over Sun Life's rejection of a merger proposal from the

A merger with TransAtlantic A merger with Transatiantic would have led to Sun Life "slipping sideways into the hands of Liberty life," he said. Yesterday's abandonment of the restructuring plan are in the country of the restructuring plan.

A merger with Transatiantic model is a model of the restructuring plan are in the group.

A merger with Transatiantic and Sun Life ween Transatiantic and Sun Life in the country of the restructuring plan.

ation and the leaveship began before the restructhe first of the life sersing began before the restriction of the large compliance plan was announced. But the urts of large compliances proved unproductive, demanding role insisted that TransAtlantic dispose of its shareholding as a preconditional control of the shareholding as a precondition of the shareholding as a precondition of the shareholding as a precondi with the transport and the tion of any agreement.

## Feedbackers and Sales US mining met also on year t remain war at group to take \$108m charge

By Our Financial Staff

M.A. HANNA, the Cleveland-based metals mining group, is to take a net charge of \$100m against fourth-quarter earnings because of restructuring activities, causing a loss for the period.

The company, which mines iron ore, nickel and other minerals, said the charge, which amounts to about \$9.55 a share, will include the writeoff of Hanna's nickel investments write-downs of energy and minerals investments and other restructur-

ing costs.

M.A. Hanna said that it would incur about \$59.2m in fourth-quarter charges for the permanent closure of its wholly owned ferro-nickel op-eration in Oregon and the write-off of other nickel investments.

Charges of \$29.7m are related to a write-down of eastern coal investments whose value, the company said, had been permanently im-paired by a depressed coal market.

# Peugeot marks recovery with promise of dividend

PEUGEOT will pay a dividend this

symbolic or more substantial grew by 19 per cent to 437,006 cars amount." None the less, the deci-compared with 367,000 cars the

(\$103m) earnings of 1985. He indimestic market which increased by (\$103m) earnings of 1985. He indimestic market which increased by cated that last year's earnings of about 7.5 per cent. The company's the large car division would be domestic market penetration also and the Nigerian car plant has restured year before. Mr Calvet said last per cent the year before. The commonth that the group's other main car division, Citroën, would also recent of a French market which is the group's about 7.5 per cent from 21.8.

The plant has a conactive of about 1.00 cars a day. port a profit for 1986 after six years expected to total about 1.050,000 The plant has a capacity of about

Mr Calvet indicated that the group

the group had not yet decided Mr Jean Boilot, president of An-whether the first dividend payout tomobiles Pengect, said the compa-in seven years would involve "a ny's European sales outside France compared with 351,000 cars the sion to pay a dividend marks a new year before in European markets chapter in the recovery of the which grew by an average of 8 per French private car group, which after several years of heavy losses and widespread restructuring is now in the black.

It of the time to be a simple of the property of the with the several years of heavy losses and widespread restructuring is now in the black.

It of the time to be a simple of the property of the

of consecutive losses with earnings new registrations this year, 50,000 250 cars a day.
estimated at around FFr 300m.

Mr Caluet also

year for the first time since 1979, kits to Nigeria and Iran, Mr Calvet ities over sales of kits manufacture Calvet, the chairman of said the Automobiles Peugeot divitime private French car group emkits to Nigeria and Iran, Mr Calvet ities over sales of kits manufactured by Peugeot in the UK to Iran
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times over sales of kits manufactured by bracing the Peugeot and Citroën profits. The rise reflects productivical marques, said yesterday.

Mr Calvet added, however, that sales in Europe.

bracing the Peugeot and Citroën profits. The rise reflects productivical continuing with Tehran over possible modifications or the renewal of the Pekan model which Peugeot

> In the best years, Peugeot has sold up to 85,000 kits a year to Iran from the UK. But the level has slumped following the Iranian revo-lution and the subsequent Iran-Iraq.

In Nigeria, sales of kits for as-Mr Caivet also disclosed yester day that the group's Automobiles
However, in France Automobiles
Peugeot subsidiary would report a substantially higher profit for 1985
99,000 cars last year compared compared with the FFr 858m with 385,500 cars in 1985 in a domain of a secondary exchange market by the Nigorian authorities sembly at Peugeot's plant there duction of a secondary exchange market by the Nigerian authorities,

However, the Pengeot chairman said the group had not decided yet too rose by 45,000 cars to 1,078,000 show a decline of about FFr lhn - if it was going to raise fresh equity last year, with \$20,000 Pengeot 205

The first was going to raise fresh equity last year, with \$20,000 Pengeot 205

The first last year although there has been models produced compared with repeated speculation that it would.

498,000 the year before.

Mr Calvet also said yesterday he expected Pengeot group debts to show a decline of about FFr lhn - FFr 1.55n in 1986 from a total group indebtedness of FFr 32hn - FFr 33hn at the end of 1995. 498,000 the year before.

33on at the end of 1985. Automobiles Peugeot's debts totalled FFr would not turn to its shareholders dropped sharply last year to about 11.5bn at the end of 1985 and are ex-for fresh funds again until it had started paying out a dividend again. Boilot said that negotiations were in 1986.

# Cannon dismisses staff and cuts film production schedule

BY ANATOLE KALETSKY IN NEW YORK

CANNON GROUP, the troubled US compared with 48 last year. The new film production work as a recompared with 45 last year. The new lim production work as a regroup also said it was dismissing an compared with a last year. The group also said it was dismissing an sult of the acquisition. In the event, the Screen Entershable its 1987 film production schedule and laid off an estimated 250 Los Angeles-based US staff as, which came to a head last could lose their jobs.

negotiated with Warner Brothers, made by Cannon earlier this year the communications group. The when it bought Thorn EMI Screen Entertainment from Thorn cuts suggest that the infusion of STSm in new funds as a result of the Screen Entertainment included ment after offering Warner convergence.

The cuts follow Camon's narrow

The sharp cut in output is bound meet a payment of \$75m owed to escape from insolvency last month to call into question the promises to Bond Corporation of Australia, through a complex financial tie-up revitalise the British film industry which had previously bought

cuts suggest that the infusion of S75m in new funds as a result of the Warner rescue will not be enough to restore Cannon's position as a major force in the US and Europe Cannon said in Los Angeles late on Tuesday that it planned to produce only 12 to 15 films in 1987, sested might benefit from much Cannon suggested might benefit from much Cannon suggested might benefit from much Cannon's European Theatres for only \$50m.

# L and G Australia premiums up

AN INSIGHT into the dramatic cumulating the payments until retransformation now being experienced by Australia's insurance industry appeared yesterday with the publication of 1986 premium income figures by Legal and General sented 86.8 per cent of total new premium income from AST6.6m (USS51m) in 1985 to ASE2.9m last year.

The figures showed a rise in total new premium income from AST6.6m (USS51m) in 1985 to ASE2.9m last year.

The other major growth area in single premiums from deferred annuities.

The rise reflects a major tax change which took effect in July 1983, under which employees changing jobs could avoid a new 30 per cent tax on payments they received from their employers by ac-

AN INSIGHT into the dramatic cumulating the payments until re- bers from companies such as AMP

# San Paolo sells stake in NBA

BY ALAN FRIEDMAN IN MILAN

THE ISTITUTO San Paolo di Torino, one of Italy's biggest banks and an original member of the consortium of seven private and state sized share packet in Naovo Ambrosiano in 1982, has sold its 8.92 per cent shareholding in Naovo Banco Ambrosiano (NBA), the successor to the late Roberto Calvi's bank.

credit institute, for L152hn share. The price of NBA shares on the Milan bourse yesterday was a similarly L2,805 each.

Both San Paolo and BNL no longer view their holdings in Nuovo Anbrosiano as strategic and therefore prefer to realise the value of the sisted of both ordinary and savings Nuovo Ambrosiano has undershares with total voting rights.

cessor to the late Roberto Calvi's sisted of both ordinary and savings shares with total voting rights savings shares in NRA to Crediop, the Rome-based medium-term NRA stake amounted to 14,000 a stakes in order to invest elsewhere.

Nuovo Ambrosiano has undergone a successful restructuring since 1982 and is this year expected to produce a group consolidated net profit of around L100bn.

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Holdings Inc. Savings Bank

U.S. \$300,000,000

For the three months 8th January, 1987 to 8th April, 1987 the Notes will carry an interest rate of 6.35 per cent. per annum and interest payable on the relevant interest payment date 8th April, 1987 will amount to U.S. \$158.75 per U.S. \$10,000 Note.

By Morgan Guaranty Trust Company of New York, London Agent Bank

## Record car sales for Saab BY JAMES BUCKAN IN NEW YORK Scania

SAAB-SCANIA, the Swedish automotive and aerospace group, achieved record car sales last year with an increase of 18 per cent to

126,000 units. The company is investing heavily in new capacity and is planning to build a new car assembly plant in Malmo in southern Sweden, which is due to come into production in

Under the current investm programme the group will have increased production capacity to 150,000 cars a year by 1988 and 180,000 by the end of 1989.

Mr Sten Wennlo, head of the Sa-ab car division, said that production would increase by a further 5 to 8 per cent a year in both 1987 and 1988. Sales this year are forecast to reach 133,000 to 135,000 - more than double the 1980 production level of 65,800 units.

All the sales increase last year came from the Saab 9000, which was introduced in 1985 for the first time in most of the group's export markets and which moved Saab de-cisively up-market into more direct on with BMW, Daimler-Benz and Volvo in the luxury car

In the US, the group's most imcortant car market, sales increased by 24 per cent last year to 46,400 cars, and in western Europe - outside Scandinavia – sales jumped by 25 per cent to 27,200.

## Inco names new chief executive

By Bernard Simon in Toronto INCO, the world's leading nickel

producer, has named Mr Donald Phillips as chief executive officer to replace Mr Charles Baird, who re-

Mr Phillips, who turns 57 today, is currently the company's president and chief operating officer.

# **Boone Pickens renews assault** with bid for 18% of Diamond

MR T. BOONE PICKENS, the acquisitive Texas ollman, yesterday renewed his assault on Diamond Shamrock, the Dallas integrated oil company which recently halved its dividend.

A group consisting of Mr Pickens' company, Mesa Limited Partner-ship, and Mr John Harbert, a southern businessman, yesterday offered \$15 a share in cash for up to 20m shares or 18 per cent of Dia Last month, Mr Pickens and Mr Harbert, who owns 4.5 per cent of Diamond, abruptly dropped a \$2bn offer of Mesa shares after Diamond rejected the approach. If accepted the new offer will give the Pickens group, known as Lucky Partners, 22.5 per cent of Diamond, Diamond, which lost \$98m in the third quarter

on sales of \$563m, had adopted a



shareholder reaches 25 per cent of

earlier plan and offer the remaining shareholders units of the limited

partnership, which currently offer a \$2 a share cash distribution against last year's Diamond dividend of \$1.57.

Mr Pickens, who has bitterly cri-ticised Diamond for rejecting the earlier offer, said the new cash offer increased the likelihood shareholders would be able to judge for themselves. Diamond has cast doubts on Mesa's ability to go on paying \$2 a share without access to Diamond's cash flow.

Diamond's shares rose \$% to \$14% in early trading yesterday.

The renewed attack on Diamond comes after a year in which Mr Pickens has uncharacteristically abstained from harrassing his favoured prey in the depressed US oil and gas sector. He made hostile bids for Phillips Petroleum and Un-

## Lockheed pulls out of electronics joint venture

puter Technology Corporation, the joint venture which was established in 1983 to help the US computer industry meet Japanese competition in long-term research programmes, suffered a series of blows this week with the withdrawal of three leading high-tech companies.

tin-based consortium, which is known as MCC, of its intention to pull its missiles and space subsidiary out of the co-operative research effort. Earlier this week it emerged that Unisys, the secondlargest US computer company, and Allied-Signal, a diversified engineering and technology concern. had also notified their withdrawal.

All three companies will remain in MCC until the end of 1987 since the joint venture's rules require a

MICROELECTRONICS and Com- year's notice of withdrawal and will continue to contribute to MCC's research budget of \$75m for 1987.

However, the loss of Unisys in particular will be a serious blow, beuse the company was one of MCC's biggest providers not only of money but also of research exper-

Lockheed Corporation said yes-terday that it had notified the Aus-tin-based consortium, which is US manufacturers of large mainframe computers

These programmes, which were designed to compete with research efforts at the leading edges of computer technologies which have been co-ordinated by governments in Ja-pan and the EEC, cover artificial intelligence, semiconductor packag-ing, database management, parallel processing, software technology, computer-aided design and interaction between people and computers.

# **CAP Gemini in**

unit purchase By George Graham in Paris

**US** computer

CAP GEMINI Sogeti, the acquisition-hungry French computer services group, has added a US company to its list of purchases.

Sycomm Systems, a New Jersey computer services company specia-lised in the financial and telecommunications areas, will take Cap Gemini's US turnover to an estimat ed \$150m in 1987. Sycomm itself was "modestly profitable" in 1988 on a turnover of \$18m.

The French group doubled its size in the US with the purchase a year ago of the consulting arm of CGA Computer and has since then added acquisitions in West Germany and

No price was given for the pur chase of Sycomm, which is still ex-pected to leave a considerable portion of the FFr 1bn (\$158.7m) of new capital Cap Gemini has raised over the past year.



The Ministry of Finance of

# The Kingdom of Thailand

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JUROKU BANK, LID. • THE OGARI KYORITSU BANK, LID. • THE JOYO BANK, LID.

**Collateralized Floating Rate Notes** Due October 1993

Notice is hereby given that the Rate of Interest has been Notice is nereby given triat the rate of interest has been fixed at 6.30% p.a. and that the interest payable on the relevant Interest Payment Date, April 8, 1987, against Coupon No. 2 in respect of U.S.\$25,000 nominal of the Notes will be U.S.\$393.75.

U.S. \$100,000,000

January 8, 1987, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

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Floating Rate Notes Due October 1996

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December, 1986



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In accordance with the provisions of the Notes

notice is hereby given that for the six month Interest Period

from January 8th 1987 to July 8th 1987

the Notes will carry an Interest Rate of 6.375% per annum.

The Coupon amount payable on Notes of U.S.\$5,000 will be \$160.26,

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to the bolders of the outstanding £46,008,000 71/2 per cent.
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EARLY REDEMPTION ON 7 FEBRUARY 1987 of all the Bonds of the Issuer

Conversion Right Expiry Date: 30 January 1987 Redemption Date: 7 February 1987 NOTICE IS HEREBY GIVEN to the holders of the Bonds (the "Bondholders") that, pursuant to and in accurdance with the Terms and Conditions endorsed on the Bonds (the "Curchitions"), the Issuer will on 7 February 1987 (the "redemption date") redeem all of the Bonds their outstanding and not previously converted into Ordinary shares of 25p each of Consolidated Gold Fields PLC (the "Guarantor"). The Bonds will be redeemed at a price equal to 10h per cent. of their principal amount, together with interest accused to such date.

interest accused to such date.

Bondholders have the option to convert the principal amount of the Bonds into Ordinary shares of 25p each of Consultanced Guld Fields PLC (the "Guarantor"), credited as fully paid, at a conversion price of 371 pence per Ordinary share. On 6 January 1987, the middle market quotation of the Ordinary shares of the Guarantor, as derived from The Stock Exchange Daily Official List, was 680 pence per share. As provided in the Conditions, any Bondholder who wishes to exercise his right to convert must complete, sign and lodge, tipether with all intensituted Coupains, a Notice of Conversion with either the Principal Paying and Conversion Agent or any of the Paying and Conversion Agents, as set out below, at any time up to the close of business on 30 January 1987, when the conversion rights attaching to the Bonds will terminate.

On redemption, payment of principal and accused interest will be usade, in accordance with Condution 7 of the Bonds, against surrender of the Bonds and Coupons at the specified office of any of the Paying Agents listed below. Each Bond should be presented for redemption together with all unmatured Coupons appertuning thereto, lating which the amount of any such missing unmatured Coupons will be deducted from the sum due for payment on the redemption date.

The attention of Bundhukler, is drawn to the Conditions and, is particular, to Conditions 5, heand 7 which comman further details regarding redemption and conversion.

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**PAYING AND CONVERSION AGENTS** Banaué Bruxélles Chase Manhattan Bank R January 1987

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# INTL. COMPANIES AND FINANCE

# Wang cuts pay in US and sheds 1,000 jobs

WANG LABORATORIES, the Massachusetts-based manufacturer of office automation equipment, is cutting pay for US employees by 6 per cent immediately and shedding 1,000 jobs in anticipation of an operating loss for the second quarter ended December 31, as reported in

brief yesterday. Wang said that the second-quar-ter loss would be no less than that of the first quarter. The company reported a net loss of \$30m for the first quarter ended September 30.

The company, which recently amed Mr Frederick Wang president to succeed his father An Wang, said that it would report the second-quarter results on January 20. profit of \$28.7m on sales of \$679.5m in the year-ago quarter.

Wang said that the actions would reduce expenses by 4 to 5 per cent, or about \$50m in the next six months, and were necessary steps months, and were necessary steps towards reaching profitability in the fourth quarter, which it said it is determined to achieve.

The pay cut will be for six months and be accompanied by a stock grant. This will entitle employees, employed through January 1 1988, to receive an amount of Class B common stock equal in value to half the amount of their salary reduc-

Those still employed through January 1 1989 will have the right o receive stock equal in value to the other half of the salary reduc

will be distributed to employees in the stock grant programme.

# Banca Nazionale del Lavoro plans to float three subsidiaries

bank, is planning to sell shares on the international capital market and also plans to float three of its non-banking subsidiaries on the Mi-lan bourse this year.

bank to sell shares outside Italy. He did not specify the amount to be

Mr Nesi said that BNL was putting the finishing touches on partial privatisation share offers for Loca-fit, a leasing subsidiary, for Ifitalia, a factoring company, and for BNL

trolled by the BNL group. nies which last year obtained

Mr Nerio Nesi, BNL chairman, which has L50bn of paid-in capital, said yesterday that he expected the made a pre-tax 1986 profit of

THE BANCA Nazionale del Lavoro holding, which groups together 32 toring turnover last September (BNL), Italy's largest state-owned "para-banking" companies con- came to L6,480hm, of which L2.090bn was attributed to the par-

L1,071bn (5793m) of leasing con- tal and operates in a variety of sectracts. The Localit parent company, tors such as leasing, factoring, au diting and other activities

At least some of the share offer. are expected before the middle of Ifitalia has 37 associated factor—
the year although Mr Nesi gave no
ing companies, paid-in capital of
indication of how much was likely
L40bn and a 47.4 per cent share of
to be asked of the market. It is asthe national factoring market in sumed that something like 20 to 25 per cent of each company's shares littalia's 1986 operating profit will be offered on the Milan stockwas L5.5hn, and its outstanding factoring market.

# Thai bank faces cut in capital

BY PETER UNGPHAKORN IN BANGKOK

impose stringent disciplinary mea-sures on Siam City Bank today, starting with a reduction in its capi-

Siam City, ranked about ninth out of Thailand's 16 commercial banks, failed to increase its capital from baht 800m (\$30.66m) to baht 1,800m by the end of last month. This had been required by the central bank as part of efforts to cover outstanding bad and doubtful debts estimated at baht 3.000m.

The central bank also wanted its

shareholders, dominated by the Mahadumrongkul family, to come up with another baht 500m this

City's management the Bank of Thailand told Siam City to provide by last night convincing evidence

THE BANK of Thailand is poised to holders have only raised baht 107m which it controls but is paid for by in new capital, and the central bank is expected to order an 80 per cent cut in the par value of Siam City's

> last year. Siam City is the third Thai bank to require baling out in the past few years. But whereas the first one, the Asia Trust Bank, was nationalised, the Bank of Thailand is determined to keep the bank in private

hands while preventing its collapse. Central bank officials are believed to have already held informal discussions with possible new shareholders who would broaden Siam City's ownership and introduce a more modern and effective

The central bank might also take up a stake of up to 10 per cent in new equity through the Fund for the Rehabilitation and Develop-

ali banks. The fund is one of a number of controversial powers, including criminal prosecution of bank executives who commit serious offences, granted to the Bank of Thailand to allow it to prevent banks from col-

Siam City has suffered from internal quarrels, poor financial management and recession-stricken customers. But it has survived persistent reports about its weakness without a run on its deposits, large ly because of belief that the central

bank would support it.

Meanwhile, the First Bangkok City Bank, which underwent a rescue reorganisation last year, announced yesterday that it made profits of baht 164m last year. Deposits were reported to have in-creased considerably since Septem-

6th January, 1987

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Incerest Period ending on 9th April, 1987 has been fixed at 6½% per annum. The amount payable for the first interest Sub-period will be USSS4.90 and will be payable together with the amounts for the second and third interest Sub-periods of the said interest Period on 9th April. 1987 against sur-

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# Firms seek benefits of automation

In the Eurobond market, a In the Eurobond market, a new price quotation system for the secondary market is under close consideration, and there have been experiments with a computerised system which would inform primary market participants simultaneously of new issues. Several plans for trade confirmation services are also under way.

also under way.
In international equity trading—increasingly the focus of the Eurobond market included attention for securities houses continued the clearing houses of stock exchanges. New services are being launched.

Greater depth

Greater depth

services are being launched which would reduce the costs of international dealing, as well as the extraordinarily high level of cross-border transactions which go wrong.

Ms Graciela Chichilnisky, chief executive of Fitel, a company providing a new trade confirmation system for international securities, estimates that 40 per cent of international equity trades fail to be com-pleted because incorrect infor-mation is passed — or is claimed to have done so — between one of the many parties involved: investors, brokers

Underlying the current trend

A DRIVE is under way to computerise the nots and boits of the international securities markets.

tasks such as telex or telephone tion system, dubbed AIBDQ and the international securities trade. In addition, automation the distribution of Deutsche Bank Capital Markets and long-time constitutions in head. markets not only by cutting dealing costs, but also by making them more tranparent.

The Eurobond market already has a technologically advanced underpinning in its clearing systems, Euroclear and Cedel, which between them last year cleared virtually all the over \$3,000bn trading volume of the Eurobond market. In addition to clearing, services available to the Europond market include trade

Many in the market have felt, however, that secondary trading needs to have greater depth.
The creation of a reporting dealer system under the auspices of the Association of International Bond Dealers, which took affect last Friday, is an important step in this direc-tion. The 128 dealers have undertaken to report by com-puter to the AIBD each day their closing quotations for all bonds in which they make mar-kets, and from March they will report high and low traded

More controversial, is a desire to reduce the over-heads for securities firms asso-clated with the time-consuming for a screen-based price quota-

Japan to guarantee fewer

A TOTAL of Y525bn (\$3.29bn) clamation work for the pro-

worth of foreign bonds guaranteed by the Japanese government is expected to be floated in fiscal 1987, against Y558bn Bank, the largest single during the current fiscal year, borrower entitled to the government in the current float year.

The fiscal 1987 programme at about Y60bn.
of issues includes for the first Meanwhile, it is understood time the Osaka prefectural that Tokyo's \$100m issue, due government, now an eligible to be launched during the borrower. It is seeking to current fiscal year, will not be raise Y20bn to finance land re-floated before March.

foreign bond flotations

Capital Markets and long-time advocate of automation, is heading the project and holding presentations of a planned system, which follows a study which the project and holding presentations of a planned system. with the National Association of Securities Dealers, operator of the US Nasdaq over-the-counter share market.

At its December meeting, the AIBD board decided to seek proposals from several organisations on joint development of a system. It expects to present final proposals at the AIBD's annual meeting in Oslo in May. One of the most tiresome problems for the Eurobond market is the need for telex

confirmation between the par-ties to each individual trade. Though such telexes are routinely sent, they are often not read until too late. A trade may then fall because two parties had differing impressions of what they had deep are simply roted the dedone, or simply noted the details incorrectly. Several initiatives are under way to eliminate this. The

AIBD has decided to develop a trade confirmation system which could be incorporated into the quotation system. Under the AIBD plan, a trade would have real-time confirmation that details of a trade just done matched those

Cedel are holding discussions which could lead to a joint trade confirmation project. The International Commodities Clearing House, which clears London and international futures and options markets, is also working on a trade con-firmation system for the Euro-bond market.

## Streamlining

Fitel, which has its central computer in London, began commercial operations yesterday with Wells Fargo, one of the largest US fund managers, on line to its Equinet service, after a pilot project involving after a pilot project involving Salomon Brothers, Bear Stearns and First Chicago. It does not provide clearing or settlement, but streamlines the information flows between all the partici-pants in a trade, including brokers and custodians of securities.

The London Stock Exchange. following its recent infusion of new blood from international securities houses, which are keen to develop a new, techno-logically based international equities market in London, can also be expected to have an impact on the new trend. Its clearing systems, Talisman, has pilot links with US clearing corporations, including the National Securities Clearing Corporation, which are due to

## Multi-option facility and sterling paper for Bulmer

is launching a £80m five-year multi-option facility and a £50m sterling commercial paper programme to refinance and consolidate a number of earlier short-term borrowings.
County NatWest Capital Mar-

The projected decline is due ment guarantee, is planning to primarily to the prospective raise Y123bn, the same total as privatisation of Japan Air Lines in this fiscal year.

(JAL) during the next fiscal Export Import Bank of covernment's guarantee. In the coursent fiscal year, removing this large borrower from the category of those covered by the Japanese year to Y58bn from Y58bn government's guarantee. In the current fiscal year, bond issues Y11bn compared to Y12bn, by the national flag carrier are likely to amount to some Y60bm, government will hold its total year fiscal 1987 programment will hold its total year. mercial paper deal, with Morgan Grenfell and County NatWest

The facility incorporates a £30m stand-by, which can be activated should the company not wish to draw the entire £80m

clamation work for the projected Kansai International cider and drinks manufacturer, mechanism. The stand-by is priced at 15 basis points over London inter-bank offered rate or the eligible bill discount rate. There is a 7.5 basis point facility fee for the first two years, rising to 10 County NatWest Capital Mar-basis points thereafter. No kets is arranging the multi-option facility while Samuel on the first 50 per cent of the Montague is organising the com-stand-by. However, Bulmer will be charged five basis points on the entire amount of the stand-

as co-dealers.

Bulmer's muti-option facility 50 per cent level.

is along the lines of a club deal, being syndicated to a small paper programme includes a group of relationship banks. dollar option, which will definitely be activated, according to Samuel Montagu, Bulmer runs a sizeable apple juice operation in the US.

This announcement appears as a matter of record only.



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Arranged by

First Interstate Capital Markets Limited

December 1986

## Malaysia to bail out co-op depositors

By Wong Suleng in Kuzia Lumpur

THE MALAYSIAN GOVERN THE MALAYSIAN Government has amounced a rescue plan to bail out more than 0.5m depositors who have been unable to withdraw deposits totalling 1.5bm ringgit (US\$580m) from the suspended deposit-taking connectives.

Full details of the rescue package have yet to be finalised, but as a first step, Bank Negara, the central bank, yesterday obtained approval from the High Court to get 16 of the 23 granuated. to put 16 of the 23 suspended co-operatives under receiver-

receivership is the large Keoperative Serbaguna Malaysia (KSM), which controls several publicly listed companies, including Multi-Purpose Holdings.

The central bank would appoint professional accountants to manage the Co-ops and the receivers would work closely with the banks on how best to bail them out.

So far, 10 commercial banks have agreed to take over the assets and liabilities of 10 co-operatives. Negotiations are going on between other banks and the remain-

The 580,000 depositers, most of whom are Chinese, have been told they can expect refunds of between 10 and 30 per cent of their money before Chinese New Year on January 28, The central bank is working round the clock to meet the datethe clock to meet the date-

Malaysian deposit The taking co-ops operate very much like credit unions in the West, but with far less

Last August, immediately after being returned to power in the general elections, the government suspended the 23 co-ops. Subsequent investigations revealed massive mismanagement, corruption and

estimated that the 23 co-ops had lost as much as 784m ringgit through share and property speculation as well as corruption.

The five-month suspension has caused great suffering and anguish among the depositors, many of whom are small farmers and petty traders. In recent weeks, they have taken to the streets to demonstrate against the government's in-ability to find a solution to the co-ops scandal.

The commercial banks are approving for them, bank has the purpose.

The partial refund depositors' money is expected to defuse the tense situation. Most difficult problem, however, will come after that has been done. Many of the co-ops appear to have little chance of survival, and may have to be ilquidated.

On average, depositors can only expect to get back 55 cents on every dollar

The scandal has set the Chinese community's eronomic position back by a few years, and Chinese confidence in their own leaders has been badly shaken.

The issue has also h politicised, as many directors and executives of the co-ops are leaders of the Malaysian Chinese Association, the Chinese partner in the gov-

co-op executives have been charged with criminal breach of trust and one was given a 12-year jail sentence. Police 12-year jail sentence. Police say they are looking for at least another 300 co-op officials for questioning.

## FFr 1.5bn FRN issue for Indosuez

BANQUE INDOSUEZ, the inter-nationally orientated bank owned by Suez, the nationalised French financial group, yester-day launched a FFr 1.5hn per-petual floating rate loan to boost its capital funds, writes Paul Betts in Paris.

The perpetual floater gets ound the restrictions on issuing equity capital by the state bank before its eventual privatisa-tion. Indosuez is hoping to be among early candidates for

privatisation.

The bank emphasised yesterday it intended to redeem the floater early or exchange shares for the notes in the event of the group's privatisation. The new loan is indeed at 10 basis points over the average yield of French government bonds for a seven-year period, rising to 20 basis points for the next five years, then to 30 basis points for the next five years, then to 30 basis points for the subsequent five-year period and to 50 basis points thereafter.

# Credit Agricole well met with \$150m fixed-rate deal

NEW ISSUE activity in the Eurobond market was muted yesterday, while secondary trading was generally directionless. The market is awaiting the release of economic data from the US to give it its cue.

Nevertheless, the day's one sizable dollar fixed-rate assue, a \$150m seven-year bond for Credit Agricele, met an enthusiastic response. The 7½ per cent issue, led by Bankers Trust with LTCB International as joint book-runner, was quoted at a bid price of 99, against a 100½ issue price.

The 10-year 8½ per cent bond, priced at 100½, was issued at a level to give a yield spread at a level to give a yield spread at a level to give a yield spread at level to give level to give a yield spread at level to give level to give a yield s

The deal was launched at a yield margin over US Treasury bonds of 71 basis points and this narrowed slightly during the (Libor). But Morgan Guaranty said it had also attracted attention from fixed-rate investors in the Far East.

apanese superage to 100.

Swiss Bank Corporation announced a 12-year SFr 200m on the dollar sector, Morgan Guaranty announced a small specialist deal for Hotel Parker Meridien Capital Corporation, a single-purpose vehicle formed to purchase the mortgage on the Manhattan botel. The \$60m issue was guaranteed by Mitsubishi lank, and so obtained a Triple-rating from Moody's Investor.

the Far East.

The 10-year 83 per cent bond, Germany seemed to be contri-

cutting their customer time de-posit rates for three to 12 months by I per cent to 31 per

cent.
Verariberger Kraftwerke's
SFr 100m issue dropped by i
point in its second day's trading
to 100.

market were easier with some There is a purchase fund for profit taking in older issues. There is a purchase fund for the first four years, and it is callable, initially at 101, after five years.

# Perpetual floater prices tumble

similar sell-off and representa- holiday period.

perpetual floating-rate notes (FRNs) suffered sharp falls yesterday, with prices dropping by between two and five points as dealers rushed to unload their positions.

The fall was triggered yesterday as it became clear that investors had failed to return to the market after the holiday period. As one dealer put it: "The perpetual FRN market has become a game of 'pass the parcel' among market makers."

Last month the market similar sell-off and representa
tives of major firms met in an attempt to stabilise the market. They agreed that some houses would quote issues on a point of the sell-off. One of the clear-ing banks' issues — the Lloyds sharply, ending the day at around 92 against an initial trading level about 4½ points better. In general, however, the UK banks' issues fared relatively well, being quoted at at around 96 or slightly lower.

Yesterday's sell-off has attempt to stabilise the market. They agreed that some houses would quote issues on a ½ point in banks bore the brunt of the sell-off. One of the clear-ing banks' issues —— the Lloyds sharply, ending the day at around 92 against an initial trading level about 4½ points better. In general, however, that started the day making markets, dealers estimated that at least five had dropped out. Some dealers said they had not recommenced trading after the holiday period.

## FT INTERNATIONAL BOND SERVICE

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# **MANAGEMENT: Marketing and Advertising**

EDITED BY CHRISTOPHER LORENZ

THE UK clearing banks' extensive branch networks could be about to shrink, if a leaked document from Midland Bank

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The Borne on Income

ERVICE

is anything to go by.

This document, which BIFU, the banking union, got hold of recently, showed that Midland was considering shutting 450 of its current 2,200 branches by the end of the decade. It is the first hard evidence that the clearers are having to rethink their long-established policy of having a presence in every high street. This policy has left UK clearers with the largest branch networks of any commercial banks in the world.

It may seem odd to worry about the profitability of the branch network at a time when clearers are earning record profits, largely on the strength of their performance in retail markets. Stung by their bad debt experience in the Third than happy to retreat to their home base.

But it is precisely because they are now attacking these markets, which they once neglected, with such enthusiasm that previously handsome profit margins are being squeezed. This has already happened in the mortgage and savings markets.

Since the banks moved into home loans and broke up the home loans and broke up the building societies' cosy cartel which fixed the mortgage rate, the extra I per cent that used to be charged for endowment mortgages has been abolished. So has the premium charged for large mortgages.

And competition in the savings market has nuched up the

ings market has pushed up the average cost of banks' retail funds. All net new funds are going either into new high interest deposits or high interest accounts, rather than

3 per cent to £2.7bn, whereas high interest deposits have

grown 29 per cent to £2.5bn and high interest current accounts 171 per cent to £823m.

The competition will het up next year, when the 1986 Building Societies Act comes into force. Societies will then have

# Midland races ahead in radical rethinking

Forced to adjust their marketing approach, the clearers are adopting different strategies. Hugo Dixon reports

branch networks, the source of most of their overheads; make them work harder; or a mixture of the two.

If they could decide on narrow economic grounds, they work as more convenient to customers and, up to a point, can be justified by the extra business it brings in, beyond that point an extra branch brings in hardly any new revenue.

The major clearers are probably a long way past that point.

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The major clearers are probably cut the network and pecause with an important competitive with an im

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Interest deposits or high interest accounts, rather than traditional low interest sevenday deposits.

Lioyds Bank is a good clays Bank's director for pergraphic Over the past year. day deposits.

Lloyds Bank is a good example. Over the past year, seven-day deposits have shrunk we have closed a few branches was the control of the contro in the past and may have to of do so a lot more. . . . We are not a charity."

National Westminster Bank be

also has plans to reduce its network, which currently totals network, which turrently solutions are supported in only 200 branches. By the end in only 200 branches, most of them in one branch, will the two businesses most of them in one branch, will the two businesses are supported in the support of the su

pank managers nave to be Jacks-of-all-trades and so lack the skills to give specialist advice to their corporate clems. But since most find corporate lending more glamorous, they have also neglected their personal customers.

profitably.

Midland has the most ambitious plans. By 1990, it intends to be handling all corporate clients with an annual turnover of more than 55m in 80 new corporate offices.
Smaller corporate clients will be dealt with in 120 large area branches and personal custo-mers in 1,400 small branches. In only 200 branches, mostly

ing Societies Act comes into force. Societies will then have their revenge as they are allowed into the banks most profitable markets.

Though the societies are likely to proceed cautiously, the extremely high margins banks now charge on personal loans and credit card borrowing seem certain to come under pressure.

At the same time, these markets are likely to be shrinking as consumers who have overborrowed start to retrench.

To the decade, it will have shut in towns where Midland has only one branch, will the two businesses remain entwined. Barclays is being less ambitions. By the end of the decade, it will have 100 large branches doing mostly corporate business, and trimming of its network. Instead, they are pursuing the strategy of making them work harder—some more vigorously are likely to be shrinking as consumers who have overborrowed start to retrench.

half-way position, though Wan-less warns against taking it any further: "If you split it too much, you reduce the size of

An even more cautious approach is being adopted by Lloyds Bank, which plans to do no more than set up 60 offices for corporate clients by early 1988. John Dawson, its director for retail banking, des the plan as slow and evolu-

tionary.

The second element is computerisation. It is not only important to split personal from corporate banking, but also to be able to focus separately on every sector of the personal market: the old, yupples, home-owners, students and the one-parent families. Each category has different financial needs. If banks could

discover at the touch of a button what they were, their mass - marketing techniques would be more penetrating. However, at the moment, their computer systems are just not structured in this way.

Banks are now investing vast amounts of money to change this. Lloyds' programme is costing £570m over three years, Midland's £400m over five years, NatWest's more than £500m over five years. over five years and Barclays is also spending hundreds of millions of pounds.

The third element is to

spruce up the branches. They have to be made friendly and welcoming if people are to want to enter them and buy financial services, instead of being austere and forbidding, as is usually the case now.

Space has to be cleared in the front of the branches before



the next five years, it will be putting plate glass in its branches' windows, redecorating the interiors, making its managers' offices more accessible and pushing back the cacher grilles.

The total cost will be £150m —on top of what it would already have been spending on normal refurbishment. Midland is spending even more—£200m

is spending even more-£200m over five years. NatWest is not so sure. It

is still at the stage of assessing customer reactions to its pilot scheme and, says Wanless, "adopting a cautious approach." Lloyds is even less enthusias-tic. Its original design did not work, so it has set up another

"You've got to be awfully careful not to impose your judgment on customers," says Dawson. "They are much more conservative than we are."

pilot scheme.

and credit card borrowing seem certain to come under pressure.

At the same time, these markets are likely to be shrinking as consumers who have overborrowed start to retrench.

Given this competitive environment, the clearers will may three choices: cut their of the certain to come under pressure.

Instead, they are pursuing the susually the case now.

Space has to be cleared in the front of the branches before bank clerks can come forward as "half-way house" and would environment, the clearers will have three choices: cut their ing branch staff; and getting the more dependence of the front of the branches before the front of the branches before the front of the branches before bank clerks can come forward as "half-way house" and would as "half-way house" and would as "half-way house" and would a "half-way house" and clerks up front if the granthers before bank clerks up front if the front of the branches before bank clerks up front if the case now.

Space has to be cleared in the front of the branches before in staff. It is not easy to bank clerks up front if they do not know how to sell.

But even more dependence.

The fourth element is retain.

The fourth element is retain.

The fourth element is retain.

The f

to selling. According to Philip Warner, who is in charge of Barclays' retraining programme, they have become "human signposts." They need to be taught to sell and "to smile," he says. "Selling banking is no different from selling

All the clearers are retraining their staff, but Barclays has so far gone the furthest. Its 45,000 branch staff have been 45,000 branch staff have been put through an initial two-day course, teaching them to put themselves in a customer's shoes and to recognise selling opportunities, This is being backed up with regular product training.

The final element is to sell a wider range of products through the branches. As margins on banks' traditional business are soueezed, costly branch net-

squeezed, costly branch net-works could be justified if they could be turned into a chain of financial services supermarkets.

there is much scope for

Unfortunately for the banks their ambitions in three of these markets—life assurance. unit trusts and personal pen-sions—look like being severely limited by a rule proposed by the Securities and Investments Board, the new financial ser-vices watchdog.

This rule, known as polarisa-tion, is due to come into effect some time next year and is intended to prevent conflicts of interest. It will force banks to choose between selling only their own products through their branches and giving inde-pendent advice on competitors'

If they choose the first option, they will not be able to masquerade as independent advisers. If they choose the second, they will in practice not able to sell their own ducts through their orders. Either way, the range products they can sell will limited. be able to sell their own products through their branches. Either way, the range be limited.

Selling unit trusts and life assurance through branches may be stymied by the SIB's rules, but selling shares and PEPs will not. The only problem is that it is far from clear how persistent the demand for shares will be when the hype of privatisation issues has died down.
"Capital markets can devour

large amounts of capital and people," says Midland's Paterson. "We have to be careful not to incur more over-heads unless justified."

The other banks are more optimistic. "The savings market will be securitised," says Lloyds' Dawson, "and volume players have an advantage." He sees more profits in PEPs than shares and so has tried to pre-empt the competition by underpricing his PEP plan.

NatWest and Barclays put more trust in conventional shares. NatWest has already launched an electronic dealing service for British Gas shares in 245 branches; from the middle of next year Barclays will be operating a similar system for a larger number of shares in 150 branches. So can the banks afford to

keep their networks? Much depends on factors largely beyond their control: how competitive traditional banking markets become; how fast new financial markets grow; and what regulators do what regulators do.

But even more depends on

how managements react to this changing environment. Those which make their branches work the hardest will be able to afford the lion's share of their networks. The others will find that much more savage cuts are

**Spree starts** to taper off

LAST YEAR probably saw the peak of the 1980s consumer spending boom, according to the latest forecasts from Staniland Hall, the London business forecasters. However, the spree seems likely to continue during 1987 with only slightly less exuberance thanks to the dampening effects of rising inflation.

The company's latest volume of Consumer Spending Forecasts" says this implies higher interest rates and small reductions in its earlier forecasts for growth in spending and output over the next five years.

tion will increase from below 4 per cent in the last quarter of 1986 to around 5 per cent in the last three months of this year. Working on the assumption

that a general election will be held this autumn. Standard Hall predicts that because the more concerned to check inflation than to cut taxes, 1988 will be more concerned to the moderate. be "a year of very moderate spending and output growth."

Its forecasts say that total consumer spending next year will rise only 7.2 per cent in value, although the growth rate will nick up again subsequently.

will pick up again subsequently.
Disposable incomes are forecast to increase 8 per cent this cast to increase 8 per cent this year, thanks largely to tax cuts in the budget, and rise by an average 7.75 per cent a year over the five years to 1991. In real terms, this amounts to 2.75 per cent a year growth compared with almost 4 per cent in 1995 and only 1.2 per cent a year. 1986 and only 1,2 per cent a year between 1979 and 1985.

Forecasts of spending changes in specific sectors include a 3 ner cent increase in new car registrations this year after an estimated 3.2 per cent rise last year, However, the company also predicts a 5 per cent fall in

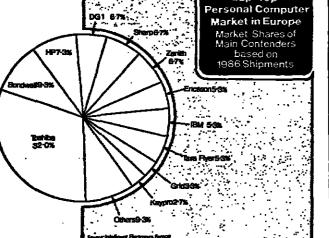
1988.
The furniture and floor coverings markets, which grew strongly in the past six months are expected to show above average increases this year, and sales of kitchen appliances and home entertainment products are forecast to advance at rates only slightly lower than last year's exceptional levels.

\* £95 per issue from Staniland Hall Associates, 42 Colebrook Row, London N1 8AF. Tel 01-

**Christopher Parkes** 

# **TECHNOLOGY: Computing**

# Living with shortcomings



# Portable sales fall into Toshiba's lap

TOSHIBA, the Japanese electronics equipment manufacthe limited hardware and even turer, has taken a spectacular more limited software. tronics equipment manufacturer, has taken a spectacular lead in Europe in portable or "lap-top" personal computers.

Figures from the Paris-based marketing consultancy, Intelligent Electronics, show that last year Toshiba had 32 per cent of the West European market. Its closest competitor, Bondwell, a South East Asian manufacturer, had only 9.3 per cent, while Hewlett Packard and IBM of the US trailed with 7.3 per cent and 5.3 per cent respectively.

According to Intelligent Electronic into the heart of an electronic filling and mailing system; it makes possible the storage and retrieval of text or image documents, distribution of information and includes special services such as mail management and calendar facilities.

What makes it large and complex standard:

What makes it large and complex standard:

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What makes it large and complex such as mail management and calendar facilities.

What makes it large on the existing is the fact that it has to work with a large number of existing is the fac

5.3 per cent respectively.
According to Intelligent Elec-

According to Intelligent Electronics, Toshiba's success is not due only to the advanced technical features found in its features found in its industry and indust mical reatures found in its machines—including high definition gas plasma screens and hard disks—but also to the timing of its entry into the market, and its distribution strategy. "Toshiba's subsidiaries and

its importers started to promote this product range at a time when the European introduction of the Convertible from IBM was expected."

"The company succeeded remarkably well in getting accepted by IBM dealers willing to carry a lap-top model while waiting for delivery of the IBM

carry the Toshiba portable

The market remains difficult

they produce a high quality image but at the expense of

♠ A price in excess of \$1000. Intelligent Electronics argues that technological improvement is still necessary. Screen size and quality could be better and more software dedicated to lap-top use

Telecommunications is a further problem. Even if a modem (device for converting the commachine."

Margins were attractive and little extra expertise was needed to sell the product. Now some to sell the product. Now some 50 major European IBM dealers built in, the user falls foul of the telecommunications regulation. and has yet properly to live up to the expectations of the portable manufacturers.

auroad. The real boom in laptops, Intelligent Electronics concludes, cannot be expected for another few years. abroad. The real boom in lap-

# of IBM's office software

plex, expensive and performs only moderately well. It has, however, become indispensible to the new 9300 family.

for IBM's large customers, As Kephon points out:
whose interest in improving "Nobody wanting to arrive at lated in order of importance and company or system that they expected their company in improve.

The other expected benefits, lated in order of importance are union system that are provided and arrive at lated in order of importance are lated nowever, become muspensite to the two coordinary.

for IBM's large customers, As Kephon points out:
whose interest in improving "Nobody wanting to arrive at
internal company communica- a major system that provided

This is the chief conclusion of a study\* of major Disoss customers in Europe and the US carried out by Xephon, a UK-based consultancy.
Its detailed examination of Disoss in practice at over 60 IBM mainframe sites suggests that IBM has had considerable

success in establishing the soft-ware as the foundation of office customers. Disoss is designed to turn a large IBM mainframe computer large IBM mainframe computer into the heart of an electronic filing and mailing system; it makes possible the storage and retrieval of text or image documents, distribution of information and includes special services such as mail management and calendar facilities.

What makes it large and com-

tions is so strong that they are a friendly and consistent user prepared to accommodate Disoss' shortcomings.

This is the chief conclusion start from having more than seven disparate devices (not including printers) with dif-ferent, well-established archi-tures, data document formats and communications protocols."

So Disoss was inevitably going to be an awkward, clumsy child mainirame sites suggests to be an awkward, clumsy child in the soft as the foundation of office as strategy at its major that the amount of support that the support IBM recommends," one of Xephon's respondents urged. "Double the time IBM recommends for implementation."

It is important, however,

because there is basically no competition in an all-IBM environment and because most of the manufacturers offering of the manufacturers onering alternatives on their own machinery—typically Digital Equipment's All-in-One and Data General's CEO—also offer Disoss compatibility. The electronic office in the large corporation will be dominated by Disoss.

Why install Disoss in the first

IBM'S key office automation terminal. The intention it benefits. Communication was software, Distributed Office Support System (Disoss), is complex, expensive and performs puters through the System/26 that they expected their complex.

listed in order of importance were: document archiving, elec-tronic mail, document retrieval, extension of the use of existing tive support and reduced voice communications. The eighth category included a mixture of items including replacement of microfiche and facsimile

Of the customers consulted. over half (56 per cent) thought they had achieved the benefits expected and a further 20 per cent had had partial success. Only 14 per cent said that Disoss had definitely failed to come up to expectations.

Mr Geoffrey Norman, the Xephon consultant who carried out the study, said this week that while Disoss would remain central to IBM's mainframebased office automation strategy, its functions would change as a result of new software on the way.

It could be relegated to the role of archive management while the all important inter-

face with the user might be taken over by IBM's Profes-Why install Disoss in the first sional Office System (Profs). place? Kephon found eight broad categories of expected Xephon, 6635 33848.

# Screens prove to be no substitute for a good secretary

esternal to the executive com-puter user, but electronic mail, expert systems and graphics are of little or no use.

This is the surprising con-

clusion of a survey of 275 directors, managers, professionals and data processing staff carried out by the magazine Business Computing and Communications. Its overall conclusion is that personal computing is seen as a mixed blessing by senior staff.
On one hand, most agree their productivity is increased through the use of personal

computers and on-line com-puter terminals. On the other, many have had to take on work previously carried out by junior staff, and bemoan the loss of secretarial support. A senior consultant with a

transport company complained, for example: "I have not had secretarial support for over two years. I may yet weave my own papyrus and grind my own ink." The sample of managers the

magazine surveyed was chosen from its own readership list, so by definition, the respondents were already interested and involved in business computing.

Among the principal findings was the fact that two thirds of the respondents had taught electronic mail was surprising munications. Tel: 01-855 7777.

FINANCIAL PLANNING and themselves computing, a sharp word processing programs are indictment of the corporate essential to the executive com- attitude in the UK towards

information technology.

Three quarters of the sample Three quarters of the sample believed that computers had increased their productivity while half thought their decision-making had improved. Over one third of the respondents, however, did not agree with this view.

Most felt their job had been

Most feit their job had been enlarged as a result of using a computer. "Now I am able to take the job through from design to production," said the managing director of an engineering design company.

A significant number felt they were able to take on work previously done by clerical or secretarial staff.

secretarial staff.
The director of a textile company, for example, with a turnover of under £5m and less than 10 employees does routine correspondence on a personal computer, leaving the clerical staff with more time for a greater variety of tasks.

The survey indicates clearly that most managers believe the software industry is not yet providing business packages of adequate quality for routine use, with the exception of word processing and financial plan-

## BY ALAN CANE Lovell **BICENTENARY** Two centuries strong and buildina 1786 /// 1986

as most analyses of office auto mation have identified this facility as of major importance. Almost 60 per cent of the sample said that electronic mail was of marginal or no use to them.

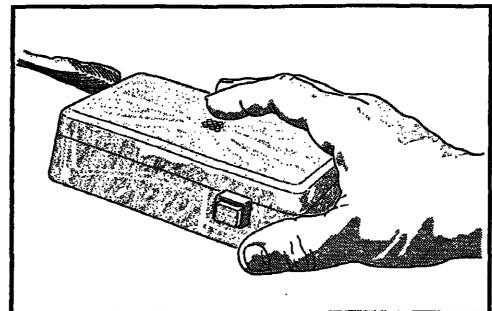
Asked why, 20 per cent said existing systems were inade-quate, while 26 per cent gave no reason.

It seems likely that in a sample where most computer users were self-taught, there would be little in the way of corporate commitment to information technology and therefore few companies with electronic mail installed throughout the organi-

Without a sizeable population of users to send to and receive messages from, it would not be strange that many executives found little use for electronic

Another surprise was the amount of time these admittedly committed computer users spent at their machines. The survey found that 64 per cent of the sample used their computer between five to eight hours a week, and two-thirds of this group worked at their keyboards for eight hours a week or more. This was true of all categories

of senior manager surveyed. The lack of commitment to Business Computing and Com-



# Information at hand for the blind

A MOUSE that "talks" to the blind is the latest contribution to computing for the disabled from IBM.

Designed and built at the Thomas J. Watson Research Center in the US, the device takes the principle of the mouse screen pointer, commonly used on small computers like the Apple Macintosh, and reverses it. A palm-sized unit with a roller ball on the underside, the mouse is conventionally pushed around on a desk top to move an electronic pointer or cursor on the computer

in the IBM device, the upper surface of the mouse is fitted with tiny pistons. As the cursor passes across letters or symbols on the screen, the pistons are raised

which can, IBM says, easily be recognised by a blind person used to reading braille

To give the blind user a frame of reference, the mouse is moved around on a special tablet engraved with rows and columns. There is a switch on the side of the mouse. Pressing it gives the user the location of the cursor on the screen in braille—the row and column numbers are read out through the pistons on top of the

According to IBM the user can alternate between Grade 1 (conventional) braille and computer braille and computer braille which includes 50 programming symbols,

IBM has a long history of

developing aids for the blind office worker and computer

In 1979, It developed a voice unit for its magnetic card typewriters, making it possible for a blind person possible for a bling to review and edit typed work. Three years later, its Hursley Laboratory in the Undeveloped a "talking terminal." a standard video terminal with a voice generator attached, enabling a blind or partially sighted person to hear, rather than Hursley Laboratory in the UK see, the contents of the

Its braille mouse can be used in conjunction with a speech synthesiser, says IBM. The device is now being evaluated at the Watson Research Center by blind

# Horizon makes strong recovery to £4.6m

company and travel agent, has to achieve its targets for further also disposed of an interest in reported a pre-tax profit of volume growth and increased this company, which generated £4.59m in the 11 months ended market share with a capacity an exceptional profit of £2.94m. October 1986 against £14.49m for the current year in excess for the year to November 1985, of one million holidays.

Which included £16.47m from During the period to October

The group's accounting £135.69m to £198.33m, with period was changed to end-operating costs up from October to align with the end Bruce Tanner, the chairman, said. November is a loss-

ing an unchanged final dividend per employee doubling, of 3.52p which maintains the although this was partly due to total for the year at 4.4p. Earn- a decrease in staff.

attributable to that strategy, he

1986 turnover improved from operating costs up from £121.03m to £180.04m. In tour operations the company's market share increased from 5

making month for the company.

Trading profits for the period were £1.65m, a strong recovery, the chairman stated, on the £1.98m loss last time.

The directors are recommending an unchanged final dividence.

which, would the chairman said, double the simulator added. would double the simulator Looking ahead, Mr Tanner flight training capability and

Horizon Travel, air holiday said Horizon was well on course generate substantial income. It Horizon's fleet has also been expanded, and in spring 1987 the company will take delivery of two wide-bodied Airbus A300s.

Commenting on the comsaid that Horizon was one of the strongest groups in its sector with exceptionally low debt gearing and £32.5m cash

Trading profits for the period were struck after higher interest received of £3.61m (£3.3m) and share of profits from related and subsidiary companies of £1.11m (£1.06m). ings per share rose from 20.8p to 28.65p.

The company's airline, Orion Airways, performed well demonstrated the successful achievement of the first phase of the company's medium term strategy. The turnround in trading profits was directly attributable to that strategy, he

subsidiary.

Intensive, organised lobbying of MPs, Ministers and major shareholders will start After a tax credit of £9.7m (£4.99m charge), and dividends, retained profits worked through at £12.09m (£7.31m). immediately. All-party par-liamentary support is already extensive, with two Labour MPs and one Conservative addressing yesterday's con-ference and an SDP-Liberal Alliance representative bring-ing a message of support from Mr David Owen, the

ing will be to try to persuade the office of fair trading and Mr Paul Channen, Trade and Industry Secretary, that the bid should be referred to the Monopolies and Mergers Com-

**Pilkington** 

bid battle

By Ian Hamilton Fazey, Northern Correspondent

IN A remarkship display of strength and unity that smacked more of a rally than a conference, trade unions

yesterday gave unanimous support to Pilkington Brothers in resisting the hostile takeover bid for the

glass glant by the industrial conglomerate BTR.
About 100 delegates attended the conference at

the company's research head-quarters in Lathon, Lanca-

quarters in Landom, Lanca-shire. They represented the 16,560 employees at all Pil-kington's UK factories, laboratories and offices and

were joined by union reprewest formal by mind the from Pilkington-Flackglas in West Germany and the two worker directors of the company's Swedish

in BTR

## MAJOR PILKINGTON SHAREHOLDERS

Over 7m shares

Im-Im shares
Bank of Scotland
Barclays Bank
Scottish Amicable
NCB Pension End NCB Pension Fund Norwich Union Pension 0.5m-Im shares

Pearl Assurance
Lloyds Bank
Britispic Assurance
Equity & Law Life
Midland Bank Sun Life of Canada Guardian Assurance Eagle Star Insurance Liverpool Victoria Trustees

# Union backs | Richard Tomkins looks at the sales strategy behind the flotation of BA A bumpy flight path to the city

WHEN THE pathfinder pros-pectus for the flotation of British Airways is unveiled this morning, it will confirm what has already been widely sur-mised: that the Government is about to attempt the remarkable feat of successfully floating off a company which is in the midst of a painful profits down-

This poses a puzzling ques-tion. If, as the profits downturn suggests, British Airways is a risky proposition best suited to the more experienced investor, why are its shares being heavily advertised in a campaign appa-rently aimed at widening share ownership by attracting the population at large?

That British Airways has its risks as an investment is not in question. The history of the in question. The history of the airline since its creation from the merger of BOAC and BEA in 1974 has been one of widely fluctuating profits; indeed, the beginning of the 1980s saw it dipping into heavy losses as a result of the world-wide recession and consequent downtum in passanger revenued. in passenger revenues.

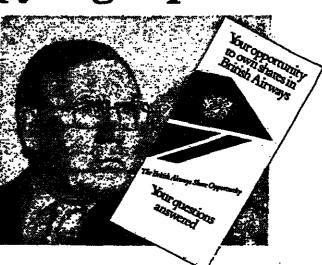
The difficulty which British Alrways faces is that the large numbers of aircraft and personnel required to operate a hence fuel) prices has saved major infernational airline British Airways from a still mean its fixed costs are proportionally very high, so variations in passenger demand are greatly exaggerated at the bot-financial year to a pre-tax profit tom line. New management under the

present chairman, Lord King, has wrought drastic changes in the past five years in an attempt to cut those costs and furn the airline into a thriving and profitable business.
Staff have been shed, the fleet has been modernised and

a new management structure has been created, while on the marketing side, there has been a far more aggressive approach to retailing the airlines' ser-

Yet not even this transformacion from a dozy, over-bleated perator into a lean and afficient machine has been mough to protect British Airways from the vagarles of the international climate, as the Yet many hatards beyond British Airways control lie prospectus will vividly illus-

Pre-tax profits of £195m for the year to March 1986 will be forecast to fall to around £145m-£150m for the current year. The main factor behind the downtrin will have been the sharp decline in trans-Atlantic sharp decline in trans-Atlantic the share price along with it.
traffic in the first quarter of In the light of all this, some
the current financial year ask whether it is eppropriate to



Lord King, chairman of British Airways, and some of the

**FIVE YEAR PROFITS RECORD** 

(Year end March 31)

figure substantially above the say there is a perceptible differ-£195m of 1985-86. say there is a perceptible differ-ence between the British Ak-

atockbrokers advising the Gov- British Gas at the end of last ernment on the flotation, has forecast a figure of £230m. The British Gas campaign

regulation, to name but a few. for the shares.

Any combination of these could damage the profits outlook, and is infended to create a high

95m of 1985-86.

Wood Mackenzie, one of the ways campaign and the one for

1783

(2m)

2,497

caused by the Chernobyl and use mass media advertising in Libya incidents in April 1986.

British Airways responded with a skilful marketing campaign which helped bring the passengers back, but even so, only the sharp fall it oil (and hence fuely prices has should wan. more dramatic downturn. be In theory, British Airways soph should bounce back in the next prop

Pre-tax profit

took a very folksy form and aimed itself directly at the Sid in the street. It also included direct mailing, and gave would-be investors very simplistic instructions about how to apply for the shares.

(4m)

2,943

(£m)

2,514

mass media advertising for flotation of British Airways till less to accompany telecon commercials for the hish Airways flotation with sic taken from Aaron Copal's Fanfare for the Common in the shares, it is said, would better directed at more histicated investors who can perly weigh up the risks. The Government's advisers	nary a mention of widening share ownership.  Nevertheless, the perception that Government privatisation issues are the nearest thing in life to a free lunch will inevitably draw large numbers of novice investors to the issue.  Nor will they be discouraged by the likely low entry price to the floation, the decision to allow payments by instalments, or the one-for-ten loyalty bonus of shares which will be payable at the end of three years on holdings worth \$25,000 or less.  The Government, of course, will regard it as no bad thing if strong demand from small investors creates a scarcity factor which enables it to set a higher price on the issue than it might otherwise have been able to achieve.  It could, however, come under
<u> </u>	The is it was a limber to

(fm)

eriticism if it is perceived as exploiting people's willingness to invest in privatisation stocks without appraising them of the

vestors to expand their port-folios rather than create new

shareholders.
In other words, it is not aimed at widening share ownership at all, but at deepening it.
The point was reinforced by the carefully chosen words of Mr John Moore, the Transport

Secretary, when he announced outline details of the Britis's

Airways offer for sale last

further major opportunity to strengthen the basis of indi-vidual share ownership in this country," he said. There was nary a mention of widening

The flotation will provide a

shareholders.

risks,
Hill Samuel, the inerchant bank sportsoring the flotation for the Government, acknowledges that it would not want to see pensioners taking their life savings out of the building society to invest in British Airways—or indeed, in any other stock—but says the belowaverage price-earnings multiple and above-average yield will make the shares attractive even as part of a relatively narrow as part of a relatively narrow portfolio

There are certainly no plans to attach a health warning to the issue to keep first-time in-vestors away. Hill Samuel says vestors away. Hill Samuel says
the prospectus will accurately
portray the outlook for British
Airways and it is patronising to
assume that members of the
public are incapable of weighing
up the risks for themselves. level of awareness of the flots-tion, but with the aim of en-couraging existing equity in-guide those inclined to err.

## LCAH chief prepared to recommend bid

By Clay Harris London and Advertising Holdings is pre-pared to recommend the takeis accepted by a majority of its shareholders. Mr Ghristopher Perry, chief

executive of the outdoor prester group, said yesterday that MAI's decision to make the offer unconditional with a bare majority and to drop two conditions would allow LCAH directors to deliver their previous pledge to support the bid. "The board could not do otherwise," Mr

MAI announced, meanwhile, that it had received acceptances for nearly 6 per cent of LCAH ordinary shares to add to its own 29.99 per cent holding. It also owns 27.7 per cent of con-vertible loan stock. MAI has said the offer will close

The 118p cash offer values LCAH, up 6p to 121p, at £35.8m. MAI's shares added another 4p to 464p to value its 27-for-100 alternative at 125p.

# Mixed reception for **Burton share scheme**

THE NEW executive share fairly relaxed about it," said option scheme proposed by the investment manager of one retail chain Burton, which could give senior employees options will probably you in favour." option scheme proposed by retail chain Burten, which could give senior employees options worth eight times their annual salaries, had a mixed reception from City institutions yesterday. According to the National Association of Pension Funds, news of the scheme provoked a response from a number of members who were not pleased with what they read in the

papers."
The NAPF said it would now be studying the proposals in de-tail to see if they reached its lines on option schemes. Fund managers at a number

of the larger institutions were also reserving judgment. "It's too early to say definitely—but it's a question of finding the right balance of risk and reward," commented one. "It may be a guestion of whether the be a question of whether the performance criteria are stiff

had their supporters. "I'm share capital:

"It's a question of balance," commented another, "and this doesn't seem outof kilter."

The disquiet seems to centre

on two aspects of the option scheme: the eight times multiple of salary and whether the granting of the maximum number of options would involve unacceptable dilution of exist-ing sharetholders' stakes.

The guidelines from both the NAPF and the Association of British Insurers stipulate that the total number of shares issued or issuable under any company's option and share savings schemes should not, within a 10-year time period exceed 10 per cent of the issued share capital.
William M. Mercer Fraser.

who formulated the new scheme, said that its full rules book stipulated that all the But the Burton proposals also involve over 10 per cent of the

# mission in the public interest. A decision on this is expected

next week. The second stage in the campaign will be directed at the 18 financial institutions which are Pilkington's major

MP for West Lancashire, told the union delegates: "If the Prodestial and Norwich stay

Productial and Norwich stay with us, we will see off this bid. If they sell out the smaller ones will follow."

The unions represented were the General, Municipal and Boilermakers, the Amalgamated Union of Engineering Workers and Association of Scientific, Technical and Managerial Staff.

If was soon annarest that

It was soon apparent that what was happening was conditioned by Pilkington's

what was happening was conditioned by Pilkington's management style and industrial relations policies, These centre on achieving co-operation, even for rationalization, which a stream of union speakers condemned per se while praising the humane approach the company had adopted.

Union suspicion, if not fear, of BTR and its reputation for exemanship was also obvious. The future of Pilkington's research and development programmes and laboratories was seen as totally at stake, Mr Marie Rimmer, leader of the Labour-controlled St Helens Council, stressed the importance of Pilkington having its headquarters in the town, particularly for the effect on the whole northwest, where thousands of smaller companies benefit from the glass glant's "buy local" policies on supplies.

Today she will lead a Council delegation to the City of London to put the case to stay with Pilkington to major shareholders.

Meanwhille, the bid remains

shareholders. Meanwhile, the bid r mains in limbo, with the takeover timetable clock stopped to give the OFT longer to make its recommendation on

its recommendation on referral.

Mr John Smith, the Shadow Trade and Industry spokesman, yesterday urged Sir Gordon Berrie, Director General of the Office of Fair Trading, to refer the proposed bid by BTR for Pilkington to the Monopolies and Mergers Commission. In a letter Mr Smith said "of particular concern is the likely reduction in the promotion of research and development of research and development which could have extremely adverse consequences for the British industry,"

Helical Bar Prampton & Company, a Hong Kong company, has increased its stake in Helical Bar, the London-based property and investment group, to 390,000 shares (10.7 per cent) fellowing the purchase of 10,000 shares. The shares rose 25p to 488p yesterday.

Valin Pollen leaps to £2m Valin Pollen International, the corporate public relations group, continued to achieve substantial profit growth in the second half ended September 30, 1986, and for the year as a whole turned in pre-tax profits in the second that the profit growth is time was the cost of obtaining the full listing after adjust-

along the flight path from here to there—exchange rates, fuel

prices, economic growth rates and the possible effects of de-

up S2 per cent from £1.11m to ing for the scrip issue. £2.02m. Turnover rose 50 per The group's principal UK

np 82 per cent from £1.11m to £27.59m. Turnover rose 50 per cent to £27.59m. Mr Reg Valin, the chairman, said yesterday that the group had completed its seventh successive year of record growth and all operating subsidiaries had exceeded their income and profit targets. Last April, the group moved up from the USM to a full listing.

The group had been involved in a series of highly visible flotations, including Wellcome and TV-AM and had been appointed as advisers in three major forthman as a group member, exceeded as a group member, exceeded

**EMAP** to enfranchise shares

Ensign Trust joint venture

The following companies have notified The following companies neve notined dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not

available as to whather the dividends are interims or finels and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interime: Abbey, Stanley Leisure.

**BOARD MEETINGS** 

**DIVIDENDS ANNOUNCED** 

EMAP, magazine and news-shares could inhibit the com-paper publisher, has announced pany's future growth.

tincily passe; but acquisition activity continues unabated, the Government has lost none of its enthusiasm for privatisation and Valin Pollen should benyfit from both developments. The chief cause for concern is the enier cause for concern is the mounting pile of goodwill to be written off. This year Valin Pollen will write off al-most £250,000, depressing earn-ings per share both on its own account and by inflating the tax to a full listing.

The group had been involved in a series of highly visible flotations, including Wellcome and TV-AM and had been appointed as advisers in three major forth. Coming privatisations—British AFT in its first full year as a group member, exceeded well, Mr Valin said.

The current year had started well, Mr Valin said.

The final dividend is 1p net for a total payment in effect 50

The City had been so well prepared for Valin Pollen's re
The City had been so well prepared for Valin Pollen's re
The final dividend is 1p net for a total payment in effect 50

# Giltrap lifts stake in

Frank Gates By Clay Harris Giltrep, the New Zealand car distributor, has increased its holding in Frank G. Gates, but

paper publisher, has announced proposals to enfranchise its "A" (limited voting) ordinary shares. At present an EMAP ordinary share carries 10 votes, while an "A" ordinary share carries only one vote.

Mr Frank Rogers, the chairman, said the voting structure was considered no longer relevant and the continued them with one new share for existence of limited voting every seven held. holding in Frank G. Gates, but the London-based Ford dealer says that 60 per cent of its shares are committed to reject a £10m takeover offer. Samuel Moutagu bought an additional 130,000 shares at 119p to lift the interest of Giltrap and its associates to 9.3 per cent. Gates shares were unchanged yesterday at 120p, equal to the cash offer. Ensign Trust, the investment Goverf and Company. The new trust controlled by the Merchant company is a Jersey-based investment fund specialising in providing development capital has formed CDFC Berkeley in for US unquisted companies in conjunction with Berkeley the technology area.

equal to the cash offer.

In its defence document earlier this week, Gates repeated its forecast of increased profits in 1986 and rejected Giltrap's criticism of its dividend policy. It said that rejected Giltrap's criticism of its dividend policy. It said that the cash offer was inadequate and totally unacceptable and criticised Giltrap's unsecured loan note alternative.

Gates also maintains that it would have to give up two of its four Ford dealerships in east London, Essex and Hertfordshire if the takeover went through.

went through. The 60 per cent of shares which have been committed against the offer comprise about

the Gates family and 17 per cent from directors.

"We'd like to think that certain members of the family will change their mind and accept the offer," Montagu said.

YEARLING bonds totalling £2m at 10H per cent, redeemable on January 13 1988, have been issued by the following local authorities: Central Scotland Water Development Board £0.5m; East Kilbride District Council £1.0m; Dundee (City of) DC £0.5m. of) DC £0.5m.

## Tenby shares jump on bid approach

Shares of Temby Industries, electrical and engineering group, jumped 33p to a record 265p yesterday following news that the company had received a bid approach. At yesterday's closing price the company is valued at £36.6m.

The approach was "unsoliciated," according to a statement from Tenby yesterday. The statement added that if a definite offer was made it was likely to be at a "level considerably in excess of the present price of the shares." The company advised shareholders not to dispose of their shares until the position was clarified.

Tenby was a wholly-owned

Tenby was a wholly-owned subsidiary of the BSR Group until June last year, when the latter sold 60 per cent of its

latter sold 60 per cent of its chares via an offer sale at 112p. BSR retained the remaining 40 per cent.

Mr Nigel McLean, chairman of Tenby, said yesterday that although the company was aware of its vulnerability to a takeover bid it would like to remain independent. Tenby had held talks with other possible bidders, Mr McLean said.

Tenby said final results for 1986 were not yet available but it was confident of a satisfactory outcome for the year and encouraged by prospects for 1987. In the first half Tenby made pre-tax profits of £1.54m on sales of £16.56m.

Johnson Cleaners

Johnson Cleaners
Johnson Group Cleaners has
acquired three dry-cleaning
companies in the US for \$5.62m
(£3.8m) in cash.

The companies are: B & B
for \$2.1m with sales of \$1.63m
and pre-tax profits of \$390,000
for the year to December 1986;
Custom Cleaners for \$1.52m
with sales of \$1.47 and pre-tax
profits of \$343,000 for the same
period. Whitfields for \$2m,
with sales and pre-tax figures
of \$1.3m and \$380,000 respectively.

of \$1.3m and \$380,000 respectively.

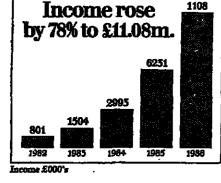
Johnson Group has more than 700 dry-cleaning shops in the UK with a 25 per cent market share. The US side contributed 33 per cent of total group turnover in 1985.

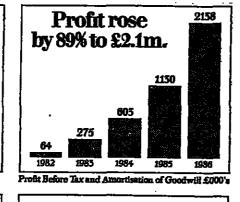
Wagon International Wagon International
Wagon Industrial Holdings,
which interests in material
handling, storage, office equipment and engineering, has
acquired Coventry-based Contract Engineers, a manufacturer of specialist tool holders
for CNC machine tools, for
£550,000. A further £250,000
is dependent on future
performance. performance.

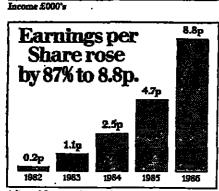
Contract Engineers made a pre-tax profit of £160,000 in the year to July 31 1986.

# **Valin Pollen** International is renowned for excellent financial communications.

(This one's no exception.)







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## **UK COMPANY NEWS**

# he city Demand boosts Robt Stone Intl Horne to £10.5m

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a marginal increase, but the directors expressed confidence directors expressed community of the mountains of funk mall that the more new products, firmer prices and good demand would the prices and good demand would the latter fall on to the doormat might be an irritation to the recipient but to paper merchant, Robert but to paper merchant, Robert

with the state of The control of the spectrum Adhesive Content retains the content content ret in however

Tax took £4.13m (£3.64m)

the position of paper merchants to life its

Mr. 1 took £4.13m (£3.64m)

and minorities £90,000

(£181,000). There was also

continue when he conded September 30 1986 by

Ended September 30 1986 by

£10.55m.

The first half had produced

The company's shares, from the company's shares, from

As to the current year, they but to paper merchant, Robert Horne, they are nothing but started well, and they were confident of again making increased profits. increased profits.

Earnings for the past year (and higher margin) ranges.

However 20.6p (15.9p) and the house inal dividend is 3.5p for a net house of total of 5p (3.25m). final dividend is 3.5p for a net total of 5p (3.25p).

Turnover rose by 7.4 per cent to £132m and gross profit by the total of 5p (3.25p).

Turnover rose by 7.4 per cent to £132m and gross profit by the total of 5p (3.25p).

Turnover rose by 7.4 per cent the warehouse, rather than the current year, paper prices are edging up and with consumer spending still buoyant, but to £10.68m while interest pay volumes should show a further increase. All that adds up to over £12m of pre-tax profits. The lifted its profit from £7.87m to the bulk of the voting shares, but the non-voting shares at 288p, still look reasonably-priced on a still look reasonably-priced on a prospective p/e near 10, espe-

# Countryside set for next era of growth

on top of that, Mr Alan and Cherry, chairman, believed a (2377, and the chart, and the chart, and the chart, and the chart, and the chart are considered to enter the next era confident that the current year would be a further period of worthwhile procress.

health period of worthwhile progress.

The health period of worthwhile progress.

Demand for new homes continued to be exceptionally buoyant, and the commercial and industrial side was expected.

bank pon-tring to the transform of that Mr Alan and its profit first profit.

Significant progress was profit rose to 55.89m (24m). In residential, completed sales produced £27.5m (£24.8m) and like transform of the September 30 1986, with profits profit £5.5m (£2.7m), while the commercial and industrial division sales were £2.8m (£6.8m) and its profit £5.9m (£6.8m)

and its profit £289,000 (£277,000). The investment portfolio had increase value to nearly £10m and was currently producing rental income of some £700,000

Brent Chemicals Chemicals al, the industrial chemito make an increasing contribution to profits.

Earnings for 1985-86 rose to
form 42.1p (37.1p) and a final divition to profits.

If the dead of 4.1p lifts the total to
6.35p on capital increased by and solder strippers and a
the December 1985 rights issue
(5.74a). 1.74p). used primarily in the manu-Turnover in the year fell to facture of sophisticated multi-£30.69m (£31.62m) but gross layer printed circuit boards.

Incorporated with limited liability in the Republic of France

Share capital: FF 367,182,200

Head Office: 7 rue de Téhéran - 75008 Paris, France

PRELIMINARY NOTICE OF MEETING

The shareholders are hereby informed that an Extraordinary General

- Presentation of the reports of the Board of Directors, of the Statutory Auditors and of

- Approval of the draft merger agreement between BSN and GENERALE BISCUIT by

- Increase of the share capital, by the amount required, and amendment of article 6 of the

- Granting of authority to the Board of Directors to apply all or part of the merger

holders of registered shares must be recorded in the company's share register at least five

- holders of bearer shares must deposit at the head office of the company or at a branch of the institutions listed below, at least five days before the date of the Meeting, a certificate

evidencing that the shares have been deposited with authorised intermediaries until the date

way of absorption of the latter. This will constitute a waiver by the shareholders of their

preferential right to subscribe for shares issued to holders of convertible bonds and stock

Meeting will shortly be called with the following agenda:

# still sees at least £3m profit

CURRENT YEAR results at Stone International are following the pattern intimated in November. The group turned in a loss of £1.9m for the first half, and confirmed a partial recovery to a minimum profit of £5m over the full year to May

The interim dividend is held at 1.61p and the directors said the final should again be 3.22p.
First half loss compared with a profit of £3.02m which in-cinded £580,000 pension fund surplus, while the £3m profit forecasts or the year would go against £6.09m in 1985-86.

Principal reasons for the loss were further problems in the UK transport division with a large export order, reduced order intake for boilers in the UK, and a strike at Stone Johnston in the US. Those problems had been resolved. The group's main business is

the manufacture of equipment such as air conditioning, lighting and power generating systems for moss transit, bus and rail authorities. Its sales in the half year came to £50.79m (£44m) but there

was an operating loss £805,000 (profit £3.3m).

comment Stones are not renowned for their aerodynamic properties and these figures from the systems engineering group reveal a breathtaking plummet into less. The market had been forewarned and the shares had already discounted the traumas: thus the news of the stronger order book was able to push them up 5p to 112p. For a com-pany to have one unexpected hiccough is a misfortune; three in one half year smacks of care-lessness. Those who saw the wreckage of Stone Platt, from which Stone International emerged via a management buyout, might be forgiven for a sense of deja vu. The managesense of deta vu. The manage-ment is duly penitent and is maintaining the yield to keep shareholders loyal; every nerve and sinew will no doubt be strained to meet the £3m full year forecast. With the strike settled, the troublesome New Jersey contract all but departed and the management strengthened, the market is looking for

pre-tax profits of around £8m next year. That indicates the

shares are on a prospective p/e

deserves a re-rating.

# **Body Shop expands 79%** and doubles dividend

natural cosmetics products group, lifted its profit by 79 per cent to £3.45m in the year ended September 30 1986, on turnover 86 per cent ahead at

£17.4m. Shareholders are having their dividend doubled to 3p net and there is to be snother one-for-one scrip issue.

Mr Gordon Roddick, chair-

man, said the group continued to trade strongly in the UK and abroad, and the move into the 50,000 sq ft warehouse and manufacturing unit last July did not interrupt trade. Most of the costs associated with relocation were met from cash

Earnings were doubled to 20.6p (10.2p) and the final divi-dend is to be 1.8p on capital increased by the previous one-for-one scrip issue.

In the current year Christmas sales were again strong.

Both at home and abroad, the chairman commented. The opening of two prime co-owned stories in Oxford Street and Ter-minal 2 in Heath row meant the company was able to take full advantage of the strong Christmas trade in establishing

tional development of the a trifle unkind to mark business was of growing impor-tance and the directors proposed further to increase and strengthen communications for all areas abroad which would show benefits in the years to come.

The group had doubled the nber of its franchised outlets overseas in the year to a current total of around 100 in 22 different countries, and turnover from abroad was now about 20 per cent of total sales. A further increase of about 50 outlets was expected in the current year.

Mr Roddick said no new franchose holders were being taken in the UK because the waiting list for new Body Shop franchises had reached three years. But there was the possibility of one new wholly-owned store opening this year.

Body Shop had taken a 70 per cent interest in Colourings, which markets a specialist range of colour cosmetics.

comment When a company with Body

shares down—they fell ?p to 740p yesterday—because it missed analysts' forecasts by a whisker. True, Body Shop has now reverted to its seasonal pattern, so that profits which more than doubled at the interim stage increased by a mere 43 per cent in the second half. But the July move was achieved without disruption. and that has already allowed the company to speed up deliveries substantially. The best, though, is that it is still possible to see where future growth will come from: 12 new UK outlets opened making 78 in all, and the number overseas increased from 100 to 158. taking overseas sales to £3.2m. This year, Body Shop is looking to add 18-20 UK outlets, of which three will be more profitagain expansion on the overseas front. So after a good Christmas, forecasts of £5mplus pre-tax this year do not look wildly optimistic. That might put the group on a prospective PE of about 23-Shop's record turns in near- hefty, but not unjustified.

# Hollas all-round improvement

dealer, continued to progress during the opening six months of the 1986-87 year and for the period increased its profits from £561,000 to £753,000 pre-

The 34 per cent profits improvement was brought about by better performances by all group companies and a reduc-tion in interest charges. City analysis were expecting profits of around £700,000. Looking ahead, the directors

said prospects were "very good

distribution several exciting opportunities for expansion were being pur-sued and added that they also intended to expand the yarn division. Additions here would be made to existing con in order to accelerate their al-

ready healthy growth. Group turnover for the six months to September 30 1986 were little changed at £14.94m (£14.61m). Operating profits rose by £63,000 to £870,000.

Half year earnings worked through at 1.8p (1.4p) per 5p share and the interim dividend is being lifted from 1.1p to 1.2p net.

The sale of the group's investment in Jordans Estate Agency, amounced in September, realised a profit of £320,453 and was treated as an extraordinary item. This raised retained balance from £76,000 to £448,000.

Interest charges were reduced by £129,000 to £117,000, but tax integrated successfully.

The Peri-Lusta companies, acquired last April, have been integrated successfully.

## COMPANY NEWS IN BRIEF

HARVEY - THOMPSON

element the two other shops

complement in the area.

of just over 7. The group needs a trouble-free period before it

VORKSHIRE CHRMICALS Australian subsidiary, Yorkshire Chemicals Pty, has acquired Douglas Colours Pty for some A\$2.2m (fim) cash. For the year to end June 1986 Douglas made pre-tax profits of \$356,000 from a turnover of \$2.5m. Net amounted to \$680,000.

JOHN MOWLEM's offer for Glasgow Stockholders Trust has been declared unconditional as to acceptances. The formula asset value of each Stockholders' ordinary share will be calculated as at the close of business yesterday and will be announced as soon as practicable. The offer will remain open for acceptance until further notice.

WADE POTTERIES—AGM was told that first four months trading of current year showed enbetential increase on last year; continuation of that trend

CAMBRIDGE INSTRUMENTS CAMBRIDGE. INSTRUMENTS
Company (international scientific instruments group) has
sold its Fibre Optics business,
based in the US, to Schott Fibre
Optics Inc, a subsidiary of the
West German Schott Group.
Consideration was about \$12m (£8.16) cash, with further pay-ment based on an earn-out formula.

MARLEY has acquired the assets of the Florida-based conassets of the Florida-based concrete roof tile manufacturing business, previously trading as Carroll's Building Materials. Assets acquired included modern manufacturing equipment along with land and buildings in Florida. Price was about \$3.5m, including \$1.6m for land and buildings and buildings.

CITY OF DUBLIN Bank holders GITY OF DUBLIN BARK holders subscribed for 8.19m shares (96.2 per cent) of the recent rights issue. The remaining 321,329 shares (3.8 per cent) have been sold at 62p for the benefit of manufactions. benefit of non-subscribing holders. Payment will be made on January 21 at 14.25p. There was no call on underwriters.

J. W. WASSALL (footwest retailer): Turnover £1.41m (£1.31m) and pre-tax profits £2.908 (loss £8.574) for 26 weeks to August 2, 1986, Earnings 0.07p (losses 0.66p) per 5p share. Directors expect profits for full year to be higher than last year's £49,533.

GREENWICH CABLE Communications exercised its option to subscribe for new shares in DRL Communication, which represents 50 per cent of the ncreased capital. The subscription will cost Greenwich £40,000 and it will also make working capital available for the expan-

EMAP NATIONAL Publications successfully completed

FT for January

CASTROL, Burmah Oil's lubri- negotiations with Haymarket EQUITY LAW Life cants subsidiary, has acquired Publishing for the purchase of Henry E. Sanson and Sens of SLR Photography. The acquising increased its stake in the company by 1.2m shares and now supplier of metal working oils Nationals a 20 per cent share and industrial lubricants. Its of all UK copy sales of sales in 1986 will amount to consumer photographic maga-

> WHITECROFT'S rights issue of offer by Property & Revers 7.52m shares has been taken up in respect of 6.83m new ordiary Investments accepted in respect of 7.12m Lynton shares nary (90.8 per cent) at 210p per share. Those remaining have (53.5 per cent). Offer wholly been sold at a premium of 28.7p

> > CIFER - Director Mr Terry Cosgrove ordinary.

bought the assets of a pawn-broking business trading under the name of James Bowes for TV-AM-Company has been informed that Quantum Over-seas Nv is now the beneficial £240,000 cash. Bowes trades in Moss Side, Manchester and will per cent).

# ANGLOVAAL LIMITED TO

(Reg. No. 05/04580/06) ("The Company") (Incorporated in the Republic of South Africa)

RIGHTS OFFER BY THE COMPANY OF UNSECURED VARIABLE RATE SUBORDINATED LOAN STOCK ("VARIABLE RATE LOAN STOCK")

UAL Merchant Bank Limited is authorised to announce as follows pursuant to a rights offer by the company to its ordinary, "A" ordinary and participating 5% preference shareholders (other than those members whose addresses as recorded in the company's registers are within the United States of America and Canada) of 17 456 020 units of variable rate loan took at 150 cents are unit. stock at 1 150 cents per unit.

LISTINGS ON THE JOHANNESBURG STOCK EXCHANGE ("THE JSE")

The JSE has, subject to the registration by the Registrar of Companies in South Africa of the rights offer documents, granted listings for:

(i) The renounceable (nil paid) letters of allocation ("letters of allocation") to be issued by the company, representing 17 456 020 units of variable rate loan stock, from Monday, 12 January 1987, to Wednesday, 4 February 1987, both

(ii) 17 456 020 units of variable rate loan stock from Thursday, 5 February 1987.
It is expected that dealing will be allowed on The Stock Exchange, London, in letters of allocation and units of variable rate loan stock under the previsions of rule 535.4.A. which permits dealings where the principal market is outside the United Kingdom and the Republic of Ireland.

Monday, 12 January

Monday, 12 January

Friday, 16 January

Thursday, 5 February

Monday, 16 February

Last day to register for the rights offer—close of business on Friday, 9 January, The company's ordinary, "A" ordinary and participating 5% preference shares listed ex-rights in Johannesburg and London

Dealings commence in letters of allocation on the JSE Rights offer opens—circular and letters of allocation posted to the company's ordinary, "A" ordinary and participating 5% preference shareholders on

Last day for listing of and dealing ters of allocation on the JSE Last day for splitting letters of allocation in London by 15H00 on Last day for splitting letters of allocation in Johannesburg by 14H30 on

Listing of the variable rate loan stock units commence on the JSE Rights offer closes-payment to be made by 14H30 in Johannes-burg and 15H00 in London on Postal acceptances postmarked 6 February 1987 or earlier ac-cepted up to close of business on

Variable rate loan stock certificates and, if applicable, refund cheques in respect of applications for additional units of variable rate loan stock posted on

All times given are local times in South Africa and the United Kingdom, as appropriate. REGISTRATION, DESPATCH AND INSPECTION OF DOCUMENTS

The rights offer documents will be lodged for registration with the Registrar of Companies in South Africa and England, respectively, on Wednesday, 7 January 1987. Copies of the circular, which will be sent to the company's ordinary, "A" ordinary and participating 5% preference shareholders, and of the principal and first supplemental loan stock trust deeds, governing the variable rate loan stock, will be available for inspection from Friday, 9 January 1987, to Friday, 6 February 1987 and of the following addresses: 1987, at any of the following addresses:

(i) The registered office of the company, Anglovaal House, 56 Main Street, Johannesburg, South Africa, (ii) Fergusson Bros Hall Stewart and Co Inc. 946 The Stock Exchange, Diagonal Street, Johannesburg, South Africa,

(iii) Anderson, Wilson and Partners Inc. 408 The Stock Exchange, Diagonal Street, Johannesburg, South Africa,

(iv) Anglo-Transvaal Trustees Limited, 295 Regent Street, London WIR 8ST, England. UAL Merchant Bank Limited

Reg. No. 35/03181/06
(Registered Bank)
A Member of the Nedbank Group
Incorporated in the Republic of South Africa

# Building for better ture

ECC Construction, trading as SNW and Bradley Homes, is ranked as a leading UK homebuilder. It has about 50 development sites and is achieving around 1,200 completions per amum.

Measured growth and expansion from its traditional West Country base, has been accelerated by the acquisition of Bradley Homes in Swindon. The combined operation is now building extensively in the country and to a limited extent in the Southern half of

· 如此一种,她只要你是一种,我们就们是我们的,我们的,我们的,我们是不要正要,我们是,我们都没有的的最后,我们的,我们的,我们的,我们的,我们的,我们的,我们的,我

the North West and Midlands. The houses are constructed using traditional methods and materials. The range of house types caters for the first-time buyer

through to the senior executive, but with the

its growth.

emphasis on the trade-up sector. Proven designs in house plans and layouts, individuality in external appearance and generous floor areas with the accent on space and quality, ensure that ECC Construction's customers get the very best value for money.

ECC Construction's strength of land holding, strategically sited, and its continued policy of concentrating on expanding its margins rather than volume, have played a major part in

ECC Construction intends to build its future on the application of this highly

successful business formula, developed on Construction the firm foundation of past experience.

A member of the English China Clays P.L.C. Group of Companies

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Crédit Industriel et Commercial de Paris, 66 rue de la Victoire, 75009 Paris, FRANCE Société Générale de Banque, 3 Montagne du Parc,

the Contribution Appraiser.

premium as it sees fit.

of the Meeting:

Lizzard Frênes et Cie,

121 boulevard Haussm

days before the date of the Meeting:

options in the company absorbed.

To be entitled to attend or to be represented at the Meeting:

Tembard Odier et Cie. 11 Comaterie, Geneva, SWITZERLAND. J. Vontobelet Cie., Bahnhofstrasse 3,

Zurich, SWITZERLAND. Banque Demachy et Associés, 223 rue Saint Honoré,

Lezard Brothers & Co., Limited, 21 Moorfields

Credit Industrial 8 me de la République,

69009 Lyon, FRANCE Maurelle industrielle. 55 me la Roétic. 75008 Paris, FRANCE. Banque Indosucz, 96 boulevard Hausson 75008 Paris, FRANCE.

Crédit Lyonnais, 19 boulevard des Italiens. 75002 Paris, FRANCE Société Générale, 29 boulevard Hauss 75009 Paris, BLANCE Crédit du Nord, 6et8 boulevard Har 75009 Paris, BRANCE Banque de Neuflize.

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Schlumberger, Mallet,

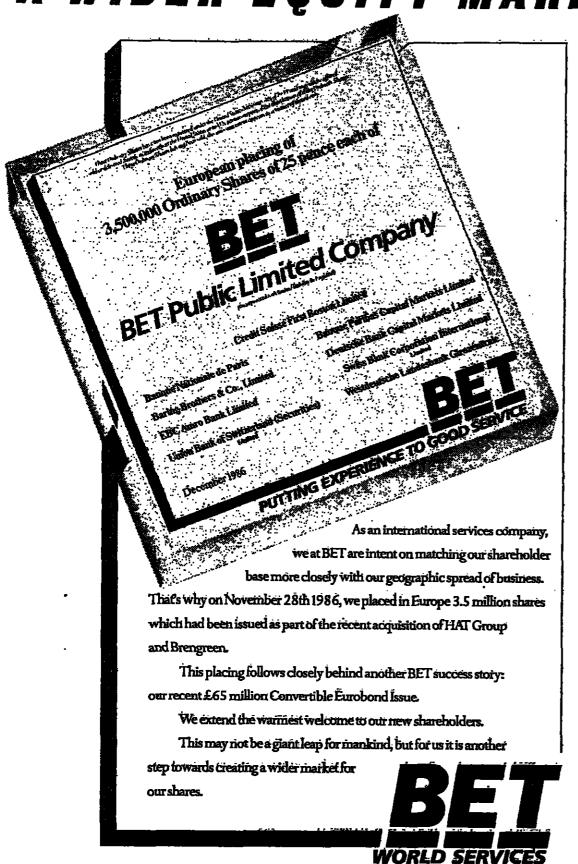
3avenue Hoche,

75008 Paris, FRANCEL A. Sarasmet Cie, 107 Freiestraue. Basie, SWITZERLAND. Banque Worms, 45 boolevard Hausmann. 75009 Paris, BRANCE

Qualifying shareholders wishing to have draft resolutions put on the agenda, pursuant to article 130 of Decree No. 67-236 of March 23, 1967, must send their requests in the form laid down by law, to BSN's head office within ten days following the publication of this

Copies of drafts of the resolutions to be submitted to the shareholders at the Meeting may be obtained from the offices of Lazard Brothers & Co., Limited, 21 Moorfields,

# ONE SMALL STEP TOWARDS UK COMPANY NEWS A WIDER EQUITY MARKET





FINANCIAL TIMES CONFERENCES

# Cable Television & Satellite Broadcasting

This 1987 conference, the fifth in a series arranged in association with New Media Markets, will bring together a distinguished panel of speakers to review the future of the new media at a critical turning point in their development.

## Questions to be discussed include:

- What kind of future for public service broadcasting in an age of satellites?
- Could cable be about to take off at last?
- DBS the satellite may fly but is it a business?
- How will the international battle for the European audience turn out?

## Speakers include:

Mr David Mellor, MP Minister of State at the Home Office Mr Michael Checkland

Mr David Shaw Independent Television Companies Association Limited

Mr lan Clark Clyde Cablevision Limited

Mr Jon Davey Cable Authority Mr lan Ellison, cae

Robert Fleming & Co Limited Mr Andrew Quinn Granada Group PLC

Mr Charles Wigoder Carlton Communications Pic

Sky Channel Mr Gunnar Rugheimer Home Video Channel Limited

**Date and Venue:** 18 & 19 February, 1987

Hotel Inter.Continental, London

## Cable Television & Satellite **Broadcasting**

Places send me further details of the 'CABLE TELEVISION & SATELLITE



A FINANCIAL TIMES CONFERENCE NEW MEDIA MARKETS

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Mr Rolf Arnim Eurosatelite GribH

Mr Patrick Cox

Super Channel

**Mr Richard Hooper** 

## Simon's bid defence sees 35% rise in dividend

Simon Engineering, which is fighting off an unusual £173m management buy-in from Valuedale, a specially created company, yesterday announced a small increase in its 1986 profit but forceast a large rise in its dividend payment.

In a 17-page defence docu-nent entitled "Veto Value-lale," Simon estimated last year's pre-tax profit rose from £26.1m to not less than £27.8m. However, when the £1.6m benefit of a first-time reduction in pension contributions is taken into account

The company also took an extraordinary charge of £4.5m last year to cover general reorganisation costs, compared with £8.6m the year before.

Earnings per share rose from 29.2p to 29.3p despite an increase in the effective tax charge from 24.6 per cent to 29.4 per cent. Simon proposes increasing its total dividend by 35 per cent to 11.5p.

Simon launched a detailed simon laurened a detailed attack on the valuation attributed by Valuatiale to its ordinary shares. Valuedale is offering 180p cash and one share, notionally valued at 100p, for each Simon share. Simon calculated the value of the Valuatials characteristics. value of the Valuedale shares at only 56p (though it did not include this figure in its defence document).

It also attacked the "shackles" which would be applied to Simon by the lean agreement between Valuedale and Citibank, which is previd-ing £100m of leans. The only way the repayment schedule could be met would be by the disposal of large parts of Simon's business, the com-

Schreders, advisers to aluedale, described the valuetate, described the profit estimate as disappointing and noted that 1986 was the seventh year in which Simon had recorded an extraordinary charge for ration-

309p. The DIG reaction third closing date on Monday and Valuedale currently and Valuedale currently speaks for just 1.04 per cent of the shares.

# Oriflame wins Goldsmiths, with improved offer terms

INCREASED OFFER terms have won the day for Origame, the London-listed but Scandi-navian-based direct selling cosnavian-based direct selling cos-metics company, in its pre-viously-contested bid for retail jeweller, Goldsmiths Group.

Oriflame has raised the cash and paper effer from one of its own shares plus 1022p for every seven Goldsmiths, to one shard plus 1079.4p for every seven Goldsmiths. The full cash alter-fiative goes up from 260p to 268.5pt.

The bidder has also added a full paper option: Goldsmiths shareholders can elect to receive shareholders can elect to receive fiew Orifiame shares instead of all or part of their each entitlements, on a basis of one Orifiame share for every 800p cash. However, the maximum number of Orifiame shares to be issued under the offer will not be varied to meet share elections—so these will only be satisfied to the extent that other Goldsmith shareholders out for each. mith sharehelders opt for each.

recommending the revised offer. Orifiame and its associates own a 28.5 per tent stake in Goldsmiths, and other Goldsmiths shareholders, including directors, lave given irrevocable undertakings to accept in respect of 22.4 per cent of the

equity taking Oriflame over the 50 per cent mark.

added 4p to 266p.

The improved terms have secured the backing of Goldsmiths directors who are recommending the revised offer.

The third refinement is the proposed payment of a second interim dividend of 5.5p to Goldsmiths shareholders—whether or not they accept the autonomous business unit," he autonomous vestmaday. commented yesterday. Mr Pissecki added that plans for the disposal of Goldsmiths inoffer—in respect of the year ending February 28. With Origanse shares unsurance business were well-advanced, and would go shead changed at 845p yesterday, the cash and paper terms value each Goldsmiths share at 275p and the entire company at 542.6m. Goldsmiths shares

under the new switers. The future of the recently-acquired hotels division remains uncertain—" They want to study the profitability of the hotels," said Mr Plasecki, "but I believe they will want to retain them

when they see the figures."
Orifiams said yesterday that
its own second half trading
"showed a continuation of the "showed a continuation of the trends seen in the first six months" and that the cosmetics side showed particularly good results in Sweden. It plans to pay a 17.5p final dividend—giving a total increase over the year of 16 per cent.

## Feb Intl. shares move up ahead of suspension

Trading in shares of Feb International, the Manchester-based chemicals manufacturer and distributor, was suspended yesterday morning pending an announcement.

The suspension was company's request. Feb International shares have moved up steadily this week, with the ordinary voting shares rising from 101p to a 1986-87 high of 108p prior to yesterday's suspension and the "A" non-voting from 68p to 78p, valuing Feb at 5 88m Feb at £5.86m. Feb's capital structure con

reps capran structure con-sists of 1.73m ordinary vote-carrying shares and 5.11m "A" non-voting shares. The Fisher family controls 74 per cent of the voting shares, which rules out a hostile takeover bid. Mr Graham Fisher, a director of Feb, said yesterday that he expected an amountement to

CLOSE RECTREES Count 1,045,090 (8:08 per cent) erdinary in company; registered in the name of British Airways

be made next week.

# **Brown Shipley stake** goes into 'safe' hands

Brown Shipley Holdings, the merchant bank which was further 6 per cent stake in its equity.

nd Coff, a Luxembourg investand con, a Extensioning invest-ment holding company con-trolled by Mr Giorgio Rossi, bought the entire Im share stake held by United Kingdom Tem-perance and General Provident Institution.

Kredietbank Luxembourge

This puts into "safe" hands the last sizable stake available in Brown Shipley, the company

Kredictbank bought 800,000 shares to take its hidding to 4.58m or 29.54 per cent while Con bought 200,000 shares to take its stake to 1.82m of 11.71

Krediethank confirmed that it was committed to the continued independence of Brown Shipley and that its purchase was not

Brown Shipley is developing joint vetnures with Kredietbank viewed for much of last year as and recently launched a unit a potential bid candidate, has trust investing in European found friendly buyers for a equities. Joint underwriting equities. Joint underwrit ventures are also planned.

> min of SNIA VISCOSA, the Italian textiles, chemicals and engineering group, and a former general manager of Credito Malano, the Milan bank. He is a non-executive director of Brown Shipley.

rose 15p to 593p yesterday in advance of the announcement

GENERAL ELECTRIC Com-pany, through its wholly owned US subsidiary GEC Inc. has acquired control of American Fan Company, of Fairfield, Obje. American Fan, which makes centrifugal fans for in-dustrial users, joins GEC's the prelude to an offer being Woods Group, headed by Woods made. Brown Shipley said it of Colchester, which has a was content with the changes in growing export business in the US.

# AFRICAN DEVELOPMENT BANK

Ábldian, Ívory Coast

DM 200,000,000 Subordinated Floating Rate Notes of 1987/1997

DG BANK Deutsche Genossenschaftsbank

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Algemene Bank Nederland N. V. Bank of Tokyo (Deutschland) Aktiengesellschaft Benefuß Perfibas Gepital Markets GmbH Berliner Handels- und Frankfurter Bank Commerzbank Aktiengesellschaft

**DKB** International Limited

Dean Witter Capital Markets - Infernational Ltd

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Dresdner Bank Aktiengesellschaft EBO Amiro Bank Limited Industriebonik von Japan (Deutschland) Aktiengesellschaft

Kidder, Peabody International Limited

Sumitomo Trust International Limited

Mertill Lynch Capital Markets

London & Continental Bankers Limited

LTOB International Limited

Nomura International Limited

Scilomon Brothers AG

S. G. Warburg Securities

Westdeutsche Landesbank Girozentrale

## NOTICE OF PREPAYMENT THE DAIWA BANK,

LIMITED US\$20,000,000

Callable Negotiable Floating Rate Dollar Certificates of Deposit

No. FRC 400111, 400113 to 400118, 400120, 400124 to 460128, 400131 to 400137, Issued on 23rd February, 1984 Maturity Date 23rd February, 1988 Optionally Callable in February 1987 Notice is hereby given that in accordance with Clause 3 of

the Certificates of Deposit (the "Certificates"). The Daiwa Bank, Limited ("the Bank") will prepay all outstanding Certificates on 27th February, 1987 (the "Prepayment Date"), at their principal amount. Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank. Interest will cease to accrue on the Certificates on the

Prepayment Date. The Daiwa Bank, Limited

Commercial Union Building St. Helen's, 1 Undershaft, London EC3A 8JJ

# SPONSORED SECURITIES

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		Lôw		Price	Change	div.(p)	Υ.	P/E
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	215	166	Berden Hill Group	215		1.4	2.1	70.0
	96	95	Bray Technologies	210	-	4.5	2.1	24.4
	138	75	CCL Group Ordinary	86	+1		4.5	11.4
	107	44	CCL Group 11pc Conv. Pref.	130		2.9	2.2.	9.2
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# Brazil seeks coffee sales boost as export halt ends

The Brazilian authorities last bags in domestic stocks and needed to cover the country's night sought to end a damaging some 500,000 more beld in foreign debt liabilities. The period of uncertainty over coffee Europe after a failed attempt total trade surplus is expected export policies when they to intervene in the international to amount to some \$9.5bn.

(IBC) said it would set a minimum export price by taking an average of 40 per cent of the price of robusta coffees and 60 propose per cent of so-called "other milds and deducting 12 cents per lb. It said daily prices would be flexible, reflecting the market

Brazil, normally the world's growing consternation on the ing more and more compressed."
world market and among local he said. traders by delaying the announcement of 1987 export nouncement of 1987 export to be looking at an alternative prices and policies. Last night's plan under which the Governstatement caused an immediate slide on the New York futures market following earlier firm-by buying some 500,000 bags ness, with coffee for March at 12,75 cents. ness, with coffee for March delivery quoted at 132.75 cents per lb in the early afternoon.

the rejection earlier this week by Mr Dilson Funaro, the Brazilian Finance Minister, of a plan drawn up by the newly-formed National Coffee Policy Council (NCPC), aimed at rapidly boosting sales.

Growers are also deeply con-

BY DAVID OWEN IN CHICAGO

tural options pilot programme,

effectively ending restrictions

options per exchange was raised to five in April 1986, and a rash

of new contract launches fol-

The CFTC's latest move

means that agricultural options

will now be traded on a perma-

nent basis in the US for the first time since they were banned by Congress in 1936, This followed

strong complaints from farmers

The limit of two agricultural options.

about trading abuses in the un-regulated markets of the great year earlier.

opened export registrations for January and February without setting a limit for sales.

The Readilian Coffee Institute to raise prices.

Under the rejected proposal Brazilian coffee would have been pricesd at Cz 1,760 (\$116.5)

a bag at present.
One London dealer said yesterday that the level of price proposed by the NCPC was "realistic." But he added that the most important issue for Brazil was to get back into the market rapidly as prices looked

set to fall further.

"Brazil has got some 10m to
12m bags to sell between now biggest coffee producer and and the new crop that starts in exporter, has been causing July. The timeframe is becomgrowing consternation on the ing more and more compressed." and the new crop that starts in

The NCPC is now understood

For the Brazilian Govern-ment, the powerful coffee lobby is an increasingly uncomfortper lb in the early afternoon.

Traders were, however, reluctant to state definitely whether the news was bullish or bearish. In view of the general squeeze on public sector expenditure it is extremely reluctant to come to the hid of the industry. At the the aid of the industry. At the same time, politically it is next to impossible to lower the Cz 2,064 minimum price guaranteed to producers at a time when inflation is surging back.

Coffee sales remain an ex-tremely important component in Brazil's foreign trade surplus, market as Brazil enters the last year earning some \$2.4bn ready scheduled for January 28-new year with an estimated 17m in hard currency desperately 28 he said.

Tomorrow the Chicago Mer-

The move comes just three months after trading started on pork belly options and will leave

umber as the only non-financial

CME futures contract without

Feeder cattle futures is the

smallest contract in the ex-change's agricultural futures

complex. In 1986, volume totalled 411,441 contracts—a

decline of 9.8 per cent from a

US farm options curb lifted

Trading Commission (CFTC), restriction is that agricultural the US futures industry's regulatory watchdog, this week voted to terminate the agricultural lying futures contract and the contract

voted to terminate its agricul- minimum of 3,000 contracts per

on the number of such contracts which can be offered by individual US exchanges. cantile Exchange tomorrow will launch its fourth agricultural options contract—feeder cattle

tin output plan

Mr Paulo Graciano, President

of the Brazilian Coffee Institute (IBC), the executive arm of

the new NCPC, has come under increasing criticism from all sides of the industry that claim

the IBC's pricing policy has

needlessly kept the country out

Yesterday he was quoted as predicting that the market

would improve when world sup-plies fall back. But this con-flicts strongly with opinion in London that is currently fore-casting a further slide in prices,

with robustas possibly dropping below 100 cents a lb within the

● The International Coffee Organisation (ICO) executive

Board's eight producing mem-bers will meet in London to-

morrow to discuss whether to call for a plenary ICO pro-

ducer session on possible rein-troduction of ICO export

quotas, according to producer spokesman Mr Jorio Dauster of

This is in accordance with a decision taken at the time of

the last ICO Board session in December to consider whether to hold a meeting of the 50 ICO producers if prices con-

Normal procedure would be for any such plenary meeting

of producers to be held before the next ICO Board session, al-

officials are optimistic that feeder cattle options will be

selecter cartie options will be able to establish a respectable volume of business, basing this view on the unusual level of trade interest in the run-up to

The new option may also benefit from association with the CME's successful live cattle

options which, in 1986, traded an impressive 718,099 contracts.

The CFTC has agreed to conduct a survey to determine who uses livestock futures and options markets, reports Renter

The decision to identify

participants in options and futures for live cattle, live hogs and feeder cattle came partly in

response to cattle producers' complaints that speculators in

ose markets bave driven down

the launch.

from Washington.

cash market prices.

Brazil, reports Reuter.

of the international market.

By Wong Sulong in Kuala Lumpur

of 96,000 tommes.

**Ministers** 

to study

MINING MINISTERS from Malaysia, Indonesia and Thai-land will hold a one day meeting in Singapore on Friday to discuss the possibility of agree-ing to a tin production schedule for this year that would not diarupt the steaully strengthen-

ing tin market.

The three Ministers will study a draft agreement reached by senior officials of the seven nation Association of Tin Producing Countries Tin Producing Countries (ATPC), in Kuala Lumpur last November to keep tin produc-tion to that of last year's level

Although the three Southeast Asian Governments see the benefits of a production quota among producers, there is pressure among miners to increase triput to take advantage of improved prices. Last year, Indonesia's tin out

put was estimated at 26,000 tonnes and mining authorities in Jakarta have said they hope to raise levels by at least 10

Thailand, which produced 18,000 tomes last year, wants its share of any agreed quota to be raised by at least 1,000 tomes, while Malaysian miners

tonnes, while Malaysian miners are also anxious to expand to meet high operating costs.

Mr Ibrahim Menudin, president of the Malaysian Chamber of Mines and head of Malaysia Mining Corporation, said recently that any production quota by the ATPC members must be matched by similar sacrifices from non-ATPC tin producers particularly Brazil producers, particularly Brazil and China. "Otherwise, we would be only hurting our-selves," he said. So far, Brazil and China have only given vague promises of production. On the Kusla Lumpur Tin Market yesterday, in continued its steady climb, rising by 5 cents to 17.44 ringgit a kilo. Turnover was down to 50 tonnes from Tuesday's 87 tonnes as miners held back in anticipation of better prices. No foreign tin was offered.

**WEEKLY METALS** 

All prices as supplied by Metal Bulletin (last week's prices in brackets). ANTIMONY: European free market, 99.6 per cent, \$ per tonne, in warehouse, 2,300-2,360 (same).
BISMUTH: European free

market, min 99.9 per cent, \$ per lb, tonne lots in warehouse. 2.15-2.25 (same).

CADMIUM: European free market, min 99.95 per cent, \$ per lb. in warehouse, ingots.

0.85-0.90 (same), sticks, 0.85-0.90 (same). COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 6.20-6.40 (6.20-

6.35).

MERCURY: European free market, min 99.99 per cent, \$ per flask, in warehouse.

158-170 (same).

MOLYBDENUM: European market, drummed molybdic ree market, drummed molybdic oxide, \$ per 1b Mo, in warehouse, 3.05-3.10 (same).

SELENIUM: European free market, min 99.5 per cent, \$ per 1b, in warehouse, 4.80-5.10 (same)

MARKETS BEARISH CHART patterns

LONDON

continued to weigh down nickel prices on the London Metal Exchange yesterday. Early selling pushed the market to fresh four-year lows at one stage, but prices at the sage, but profest recovered somewhat on profit-taking and buying which appeared to be on behalf of producers, traders said. The cash price closed at £2,362.50 a tonne, adding £15 to Tuesday's £25 decline, while the three months position, which touched £2,410 early on, closed £18 down on the day at £2,417.50 a tonne. Despite yesterday's late recovery most analysts remained bearish for nickel with some suggesting that the three months position could soon test the chart support level around £2,350 a tonne. Supply tightness continued to buoy up the cash lead price, which gained £10.50 on the day to £351 a tonne. But the

In contrast zinc continued to lose ground and the eash price fell £7.25 to £538.25 a tonne, taking the fall on the week so far to £22.75. LME prices supplied by Amalgamated Metal Trading.

three months position ended only £1 up at £310.50 a tonne.

ALUMINIUM

High/Low Official closing (am): Cash 792-2.5 (773.5-4). three months 800-0.5 (788-8.5), settlement 792-5 (774). Final Kerb close: 797-7.5. Turnover: 17,250

COPPER Grade A | Unoffic'i + or | High/Low Official closing (am): Cash 916-6.5 (919-9.5), three months 939-9.5 (941-1.5), astriement 916.5 (919.5). Final Kerb close: 942-3. Cash 890-5 -2,5 3 months 918-9 +0,5

Official closing (am): Cash 887-8 (892-5), three months 914-6 (917-9), settlement 889 (895). US Producer prices: 63.25-67-50 cents per pound. Total Turnover: 11,100 tonnes.

nofficial + or | lose (p.m.) - High/Low £ per tonns Official closing (am): Cash 354-5 (340-1), three months 312.5-3 (309-10), settlement 355 (341), Final Kerb close: 310-11. Tumover: 14,200 tonnes. US Spot: 24-29 cents a pound.

NICKEI

	Unofficial + or close (p.m.) - £ per tonne	High/Low
Cash 5 months	2360-5  15 2417-8  18	2880/2378 2446/8410
(2,376-80),	closing (am): Ca three months 2,43 ent 2,378 (2,380). 8-20. Turnover: 1,0	3-4 (2,435- Final Karb

High grade	raicea (p.	al +or .m.) — ertonne	High/Low
Cash 3 months	538-8,5 528-9	7.95  1	543/540 530/527
Official (548-6), the settlement 527-7.5. T Prime We pound.	543 (548) #mover:	the 529-5 }. Final P 5,800 to:	(erb close: nnez. US

KUALA LUMPUR TIN MARKET—CIO

Gold fell \$1 an ounce from Tuesday's close in the London buildon market yesterday to finish at \$359%. 60%. The metal opened at \$400%. 40% which proved to be the day's high and touched a low of \$338%, 339%. Trading was generally featureless with traders unwilling to move far from the \$400 level for the time being.

GOLD BULLION (fine ounce) Jan. ? GOLD AND PLATINUM COINS Am Engle., \$412-4-417-2 (£3801-2-8834)
Mapleleaf \$4084-4438-2 (£27614-281)
Krgring., \$400-403 (£272-374)
4 Krug.... \$203-204 (£138-13854)
4 Krug.... \$102-102 (£694-70)
Angel..... \$408-411 (£2774-51)
New Sov., \$54-97 (£535-56)
Old Sov... \$54-97 (£335-56)
S 20 Engle \$35-475 (£335-3414)

SILVER

Silver was fixed 1.1p an ounce lower for apot delivery in the London buillon market yesterday at 384.75p. US cantequivalents of the fixing levels were: Sport 536c, down 4c; three-month 543.9c, down 3.95c; alx-month 551.65c; and 12-month 567.45c, down 4c. The metal opened at 263°-365p (536-540c) and closed at 364°-365p (536-536c). SILVER Buttlen + or LM.E. p.m. p.m. Unoffic'i 

LME—Turnover: Nil (57) lote of 10,000 czs. Three months finel Karb 373-4.5p.

SOYABEAN MEAL

Sales: 66 (86) lots of 20 tonnes.

US MARKETS

INDICES

Jan. 7 Jan. 6 Mith ago Year ago

1681.4 1636.7 1688.8 1771.8

Dow Jan. Jan. M'th Year Jones 6 5 ago ago

Spot 114.29 114.36 - 131.66 Fut 115,14 115,41 - 136,51

(Base; December 31 1931 - 100)

MAIN PRICE CHANGES

in tonnes unless otherwise stated.

conut (Phil) | \$415x | | \$492 t m Malayan | \$525w | | \$250 pra (Phil) | \$250 /abean (U.S.) | \$141 | -1 | \$150

In disappointing valums levels closed

COFFEE

REUTERS

**DOW JONES** 

METALS

FOLLOWING AN adverse inventory report on Tuesday night, energy futures came under early pressure but local-dominated buying in quiet trading helped steady prices above support areas, reports Drexel Burnham Lambert. One feature was the narrowing of the February-March crude oil switch, Local selling in gold futures depressed prices but trade buying coupled with speculative short-covering steadied tive short-covering steadied values above the support area beginning at \$400, basis February. Coffee, cocoa and sugar futures all opened lower on commission house selling following Tuesday's sharp declines, but scale-down trade buying prompted short-covering. Wheat futures led the grains as talk of additional allocations under the US export subsidy programme US export subsidy programme

in a range despite firmer cash prices. Anticipation of an increase in alaughterings weakened pork belly cash prices leading to a decline in the futures. A similar weakening occurred in hog futures, but cattle remained basically unchanged despite firmer cash prices.

**NEW YORK** Close High Low 132.90 134.50 131.50 134.70 136.88 133.20 136.50 136.75 134.75 138.50 138.75 136.25 138.00 138.00 138.00 138.00 —

CRUDE OIL (LIGHT) 42,000 US gallons, \$/berrel

Latest High 51.20 51.25 50.46 50.50 48.55 48.56 47.50 47.50 46.65 48.75 46.90 47.70 47.70 47.70

GRAINS

WHEAT

COPPER 25,000 lbs. cents/tb Sales 3,506 (5,486) tota of 5 tonnes. ICO Indicator prices (US cents per pound) for January & Comp. daily 1979 120.41 (121.15); 15-day swerage 128.27 COTTON 50,000 lbs, cents/lb

COCOA Futures opened £10 lower but relited late in the afternoon to close at the highs. Producers remained withdrawn, while consumers again mede light purchases at the lows, reports Gill and

HEATING OIL 42,000 US galis

Sales: 2,777 (3,388) lots of 10 tonnes. ICCO indicator prices. Delly price for January 7: 89,19 (86,40); five-day average for January 8: 90,43 (90,81) US cents per pound. Daily price 1,603.02 (1,605,36); T0-day average 1,634.59 (1,638,67) SDRs per tonne. POTATOES

The merket opened £1.50 down and immediately come under selling pressure, falling another £1.40 before recovering to close in mid-range, reports Coley and Herper. Yesterday's Previous Business close close done

Feb. .... | 107.00 | 107.00 | 107.00 | 107.00 | 107.00 | 107.00 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | 107.50 | Sales: 514 (1,911) lots of 40 tonnes, SUGAR

News of fresh buy India errested the C. Czernikow.

### 100.0 10 LORDON DAILY PRICE—Raw augar \$139.50 (£35.00), down \$5.00 (down £3.00) a tonne for January-February delivery. White sugar \$171.50, down \$3.00.

Sales: 2,052 (2,724) lots of 50 tonnes. Tate and Lyte delivery price for granulated basis sugar was £197.50 (£200.50) a tonne for export. International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for January 8: Daily price 5.25 (£41); 15-day everage £.47 (5.48).

FREIGHT FUTURES An active market ross on an higher index and reports of Gulf/Japen rates as high as \$12.25. Background support was generated by a tim crude oil market, reports Clarkson Wolf. Close | High/Low | Prev. Dry Cargo Jan., 750/787, 755/786, 725/28
April 780/783, 790/775, 765/67
July 678/677, 688/674, 668/67
Oot. 781/793, 795/790, 770/78
Jan., 790/799, 806/790, 760
Apr., 810
July 712
Oot. 815
SFJ., 719.5

Tumover: 613 (337). MEAT MEAT COMMISSION — Average fat-

stock prices at representative markets, GB—Cattle 84.13p per kg kw (+1.31), GB—Sheep 190.73p per kg ast dow (-30.32). GB—Pigs 72.92p per kg kw (-1.12). FUTURES—Pigs: Feb 94.80, sales 15. RUBBER

PHYSICALS — The London market opened alightly attedler, attracted some covering throughout the day and closed quiet but staady, reports Lewis and Pest. Closing prices (buyers): Spot 85.25p (64.75p); Feb 83.25p (62.76p); March 63.50p (63.00p), Kuala Lumpur fob prices (Malaysian cents a kilo):

and news of a sale by the EEC to the USSR prompted short-covering. Maize futures followed wheat with a techni-cal rally while soyabeans held in a range despite forces.

SUGAR WORLD "11 112,000 hs, cents/h **CHICAGO** LIVE CATTLE 40,800 ib, cents/lb Feb 57.12 April 57.45 June 58.70 August 55.55 Oct 54.35 High 48.50 44.20 46.80 46.50 44.70 41.10 38.57 Close 47.80 43.55 48.07 46.07 43.65 41.00 38.82 Close High Lower A7.80 47.80 48.50 47.72 April 43.55 44.20 43.45 June 48.67 46.80 49.00 July 46.07 46.80 48.00 August 43.65 44.70 43.50 Oct 41.00 41.10 40.35 April 38.92 38.97 38.92 MAIZE 5,000 bu min, cents/56lb High Low 155.2 152.6 163.2 169.2 167.6 164.8 177.2 173.0 184.0 161.4 187.6 165.2 Close High Low 61.15 61.45 61.85 61.85 61.95 62.90 62.40 82.50 62.20 62.80 82.90 62.70 63.20 63.20 63.06 64.00 64.40 64.40 64.70 64.40 64.40 SOYAREAN MEAL 100 tree S/free High Low 18.28 18.16 18.23 18.28 18.16 18.27 18.16 18.17 18.26 18.26 18.27 18.27 18.16 18.17 18.27 18.26 18.28 17.21 18.00 18.28 17.21 18.00 August 16.05 16. 17.25 17.25 17.25 17.25 17.25 17.25 17.27 Oct 18.24 18.24 17.25 17.27 17.25 17.27 17.25 17.27 17.27 17.25 17.27 17. Close High Leny Press 278.2 277.0 288.4 288.2 281.0 281.8 254.4 256.2 243.0 243.4 239.0 229.4 244.0 244.6 241.0 240.2 251.0 251.0 248.0 248.0 276.2 277.0 268.4 268.2 

RSS No 1 224.5 (223) and SMR 20 se most traders were covered. Fuel oil 202.5 (202).

FUTURES—Index 682, February 670-880, March 575-685, April-June 680-890, July-Sept 686-701. Szies: Mil.

Change Lakest for Old crop wheat found the day divided into two contrasting sessions. The morning was dictated once again by keen shipper/broker buying smadying values before country hedge salling and shipper long fluidation was encountered. The latter feature continued in the attemnon with the distinct absence of the early buyers. In similar fashion the old crop barley market rose in early very thin trading before encountaring shipper/proker long liquidation in the atternoon. New crop brief market traded only one lot at anchanged where values stayed throughout the day. New crop wheat found September/November switching and flat shipper buying interest against country badge selling, reports T. G. Roddick. CRUDE OIL-FOB(\$ per barrel)-jan.

PRODUCTS—North West Europe
Prompt delivery off (§ per tonne)
Premium gesoline... | 180-185 | +5 | 159-161 | +3.5 |
Heavy fuel oil | 94-96 | +0.5 |
Naphtha | 157-159 | -1.5 BARLEY

\* February, Petroleum Areus estimates. **GAS OIL FUTURES** Turnover: 6,324 (5,311) lots of 100 HEAVY FUEL OIL

NO.

. US & Per tenne Jan..... 99.00 -0.50 100,00-96.50 Surnover: 96 (125) lots of 100 tonnes.

Crisp sales rise by 5%

POTATO CRISP sales rose 5 per per cent to a record £600m in 1986 acording to a study by the Department of Food and Nutritional Sciences at King's College London College, London.

The study showed that crisps could provide a valuable source of energy within a balanced

Several January North Sea cargoes sold at around \$18. Porward Brent prices were fairly stable with interest moving into March. February WTI opened 3c up on Nymex and traded in a narrow range to close 7c down at 1.30 pm EST. In the petroleum products market gesoline was firm on demand due to the Franch railstrike and gas off continued firm with reluctant sellers. Nephtha weakened elightly diet

the state of the s

The Snack, Nut and Crisp Manufacturers Association said all artificial colourings and preservatives were removed from crisps during 1986 and sales continued to grow at an annual rate of 5 per cent.

# India expects surge in coal use

Nonetheless.

an option.

BY P. C. MAHANTI IN CALCUTTA

Demand, which grew at an average annual rate of 5.5 per cent in the first half of the decade, is now increasing by about 9 per cent a year, and is projected to be rising by more than 12.6 per cent in the late to more than 400m tonnes by the turn of the century from only 155m in 1985/86.

Coal provides 65 per cent of the century from only 155m in 1985/86.

October 1990 at an appear to the first half of the decade, is now increasing by more than 400m tonnes by the turn of the century from only 155m in 1985/86.

October 272m tonnes against only between 1m and 1.5m tonnes a year in recent years.

This total seems certain to rise as a result of plans to increase steel-making capacity to 17m tonnes by 1990 from the current total of 12m tonnes. Indian coking coal requirements, currently running at coal. Industrial ful conditions of the century from only 155m in 1985/86.

Coal provides 65 per cent of the century from the current total of 12m tonnes, are expected to double in the next decade, The main beneficiary of the anticipated rise in imports will probably be Australia.

SEIENTUM: European free market, min 99.5 per cent, \$ per tonne unit WO. (same).

TUNGSTEN ORE: European free market, min 99.5 per cent, \$ per tonne unit WO. (same).

VANADHUM: Nuexco exchange the unit of the main beneficiary of the anticipated rise in imports will probably be Australia.

DEMAND FOR coal in India industry, and the country's will rise rapidly between now and the end of the century, according to the latest official estimates, and the country may have to rise to 58,000 MW— india's fast-growing steel be forced to become an increasingly significant coal importer in the next few years.

Demand, which grew at an 85m at present.

As a result of these quality problems and of the limited proportion of total reserves accounted for by coking coal. India's fast-growing steel industry has been permitted by and requiring coal throughput the Government to import modest quantities of coking coal — between Im and 15m towards.

Chris Sherwell on Australia's long-running mining dispute

Broken Hill's future on the line ONE HUNDRED years ago, in the arid wilderness of a deep-western corner of New South Wales, a bustling mining town was founded near a rich mound to produce 2.55m tonnes of milled are such page-wielding.

Hill soon became a one-company town, labour also fought to organise itself, secure recognition and win major improvements.

Indeed, in spite of depressions, strikes and hardship, Broken Hill had by 1920 not only evolved into the centre of the lead-zinc industry, it was also something of a mecca for trade unionlists because of its local difficulty, Last month, lead

the mines is once again at stake in London, having previously because of a conflict between plumbed worrying low levels. management and labour. The Market sentiment remains companies now operating them fragile.

decision is January 26— low.

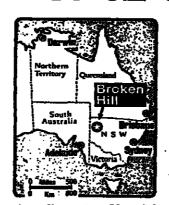
Australia Day. That will be The companies agree that, almost a year after the present even with changes in work dispute began, a period which practices and fresh investment has seen a damaging eight-week to ensure increased produc-

western corner of New South
Wales, a bustling mining town
was founded near a rich mound
of silver-bearing ore. It was
called Broken Hill, and it
180,000 tonnes of lead concentrate and 380,000 tonnes of cincentrate and 380,000 tonnes of zinc
concentrate. But the grades
being mined are getting lower. speak of appalling living conditions and even worse working conditions. Yet while Broken Hill soon became a one-company refinery, at Port Pirie in South

trade unionists because of its local difficulty. Last month, lead unique industrial system.

Now. decades on, the life of highest level in nearly two years

-CRA and North Broken Hill—
want major improvements in productivity. The highly-organised mineworkers have been the companies want, they say, this crinot guarantee the future The new deadline for a of the mines if prices are too



According to Mr John Butcher, head of the Workers Industrial Union of Australia, the largest union involved in the dispute, morale among the mineworkers is now the lowest he can remember in 30 years. In his view, Broken Hill is going through its worst crisis since the Big Strike of 1919-20. But unlike other times, he says, workers have no alternative mines to go to, and would now have to sell their houses and leave town if the mines shut.

Already this year, hundreds have accepted voluntary redun-dancy or taken early retire-

New Sonth Wales Industrial Commission last month. His judgment became neces-sary after management and unions had failed to resolve their differences over safety codes and work practices. This was despite an extension of a three-month back-to-work agree-ment which expired in October. Under this agreement, reached under the auspices of the Industrial Commission, the unions agreed to work 19 shifts a week in certain areas of the mines — still short of the 21 the companies wanted. Overtime would be worked on a voluntary rather than a compulsory basis.

voluntary rather than a com-pulsory basis.

Last mouth the unions also asked the companies for changes in the current sever-ance and pension schemes.

Though these claims will be dis-cussed, the management pri-vately sees the requests as a form of industrial blackmail to help ensure an accord in January. The bigger issue remains the ommercial performance of the mines themselves. According to CRA, results last year were seriously affected by the dis-

pute. North Broken Hill appears slightly less worried. If metal prices remains firm, ment. The overall mine workforce is 1,500, compared to 2,100
last November. The WIU's
membership has dipped to 900,
A mass meeting of the labour
force is set for the weekend has seen a damaging eight-week to ensure increased productivity, the best hope may only brinkmanship.

The outcome has a wider importance because Broken Hill's output is a major component Hill's output is a major component of Australia's lead an zinc increased produced by Judge Cahill of the labour that the longer-term future of force is set for the weekend the mines themselves is at stake.

A mass meeting of the labour that the longer-term future of force is set for the weekend the mines themselves is at stake.

Before Monday, January 26. That means Broken Hill itself they say this will at least predictions on working conditions on working conditions produced by Judge Cahill of the under the gun.

## **CURRENCIES, MONEY & CAPITAL MARKETS**

## FÖREIGN EXCHANGES

# EMS steadies on intervention

fur the Fredeli franc was fixed at DM 30.085 per FFr 100 down from DF 30.19 on Tuesday. In London the D-Mark closed at FFr 3.3325 up from FFr 3.3212.

The dollar benefited from efforts by central banks to resistant the D-Mark Both the Bundesbank and the Bank of

Bundesbank and the Bank of Japan bought dollars and the US unit finished at DM19275 up from DM19209, having touched a low of DM19125 but eased against the year to Y158.05 from Y158.75. Elsewhere it rose to SFr 18205 from SFr 18125 and FFr 68225 compared with FFr 68375. On Bank of England figures, the dollar's exchange rate index rose to 108.2 from 107.9.

Sterling lost ground during the

from 107.9.
Sterling lost ground during the morning as the dollar weakened but rallied later in the day as the dollar recovered. Its exchange rate index finished at 68.8 up from 68.7 carrier in he day but down from 68.9 on Tuesday. Against the dollar it alipped to \$1.4718 from

THE FRENCH FRANC was very weak yesterday but steaded after central bank intervention. Pressure

wear yesterday our steadled after central bank intervention. Pressure on the weaker currencies such as the Belgian frant and the Bantih krone was intensified while the French frant suffered not only from the strength of the D-Mark but also from a loss of confidence caused by domestic industrial problems.

Tuesday afternoon's decision by the Bank of Frante to allow the French franc to fall to its EMS floor level against the B-Mark sorved two purposes. Firstly to register dissistingation over the Buddestiants relectable to cut interest rates or move in some other way to offset the strength of the D-Mark and also to leave the hall in the court of the West German authorities. The latter's position was complicated by a desire to hold interest rates from to contain domestic money supply growth and also the need to avoid any potentially cententious situation caused by pressurie on perities shead of the general election later this month.

The Bundestank responded in

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Section 1

this month.

The Bundesbank responded in early trading by selling D-Marks and buying both dellars and French francs. It bought dellars and french francs. It bought dellars at around DM 1970 and the US unit inoved firmer to DM 19200 quite quickly before noving even firmer during the day. The West German central bank bought French francs when the latter opened in Frankfurt at its EMS floor level of DM 30.68 per FFr 100.

At the same time the Bank of France sold D-Marks in Farls when the German unit was quoted at its celling level of FFT 2,2003. In Frank-

£ IN NEW YORK

1.4690-1.4700 0.56-0.53 pm 1.79-1.74 pm 6,35-6,25 pg 1.4810-1.4820 0.62-0.51 pm 1.72-1.69 pm 6-32-6.22 pm STERLING INDEX

68.9 68.9 68.8 

CURRENCY RATES

L72597 1.67197 1.47358 14.5884 43.1286 7.89091 2.07029 2.33657 6.89465 1458.37 1,52869 141.580 194.184 9.01648 161.722 6/A 1.98948 169.633

-24.9 +10.6 +19.9 +19.9 +21.5 +20.7 +10.2 -15.8 +21.7

OTHER CURRENCIES Argentina 1.8618-1.8600 1.25/70-1.2730
Assiratina 22135-22165 1.5060-1.5078
Brazil 2206-22.18 1.5080-1.5078
Greech 201.85-205.41 136.58-139.88
Hong Ring 11.43445 11.4445 1189-1.7586
Korsal (Sch) 1.2569-5-1221.05 85-30-864-30 Korsalt 84.2891-8-42970 1.29230-0.29230

MONEY MARKETS Belgian discount rate up to  $8\frac{1}{2}\%$ 

PRESSURE REMAINED at a high point in the European Monetary System yesterday, although the West German Bundesbank appeared to be fairly relayed about the situation, in spite of the row between Bonn and Paris over the slide of the French train to the bottom of the system. The Bundesbank announced there will be no press conference after joday regular council meeting and no change in major German interest rates is expected. rates is expected.

UK clearing bank base leading rate 11 per cent

since October 15

In Brussels the Belgian National Bank raised its discount rate by \$2 per cent to \$8\text{\shaper} per cent. The rate for advances was also increased by \$2 per cent to \$8\text{\shaper} per cent. The rate changes were made in response to tensions in the foreign exchange market, and Tuesday's rise in the three-month Treasury certificate rate to 7.90 per cent from 7.40

In London three-month interbank rose slightly to 11\(\frac{1}{2}\)-11\(\frac{1}{2}\) per cent.

The Bank of England initially forecast a money market shortage of £1.300m, but revised this to note circulation \$5\text{min and bank for \$27\text{cin}\$ min official hands; in the \$27\text{cin}\$ min official hands; in th

An early round of assistance was offered, and at that time the authorities Bought FSSm bills outfight, by way of F40m bank bills in band 1 at 10% per bent f18m bank bills in band 2 at 101; per cent; and £7m bank bills in band 4 at 101; per cent.

Before lunch the central bank Refore lanch the central bank purchased another fills in bills out-right, through 280m bank bills in band 1 at 10% per cent; £152m bank bills in band 2 at 10½ per cent; £5m Treasury bills in band 3 at 10% per cent; £150m bank bills in thand 3 at 10% per cent; £150m band 4 at 10½ per cent; and £79m bank bills in band 4 at 10½ per cent.

FINANCIAL FUTURES

# Gilts and bonds steady

D.MARK—Trading range against the dellar in 1986-87 is 2.4710 to 1.9175. December average 1.9896. Exchange rate index 145.5 against 125.7 six months ago. Intervention by the Bundesbank to depress the D-Mark both LIFFE LONG GILT FETTINES OPTIONS

LONDON

against its EMS partners and the dollar resulted in dollar purchases of \$22.6m at yesterday's fixing in Frankfurt. Although relatively modest, the intervention served to underline the uncomfortable position in which the West German authorities were placed. trying to contain domestic trying to contain domestic money supply growth and at the same time discharge its EMS obliga-tions. The dollar was fixed at DM 1.9253 compared with DM 1.9239 and closed at DM 1.9275 from DM

the D-Hark at DM 2.8350. Elsewhere it fluished at SFr 2.3850 from SFr 2.38 and Y232.50 compared with Y234.25. Against the

French franc it closes 9.4475 from FFr 9.4325

EMS EUROPEAN CURRENCY UNIT RATES

2 1 1 1 1 2 1 1 2 1 1 1 1 1 1 1 1 1 1 1										
	Ecn central rates	Carrency amounts against Eco January 7	% change from central rate	% change adjusted for ulterature	Bluergence limit %,					
Belglad Franc	43.1139 7.81701 2.11083 6.87316 2.57833 0.764976 1476.95	43,1280 7,84091 2,07029 6,89469 2,33657 0,765145 1,450,37	+0.63 +0.31 -1.92 +0.31 -1.76 +0.02 -1.80	+0.87 +1.15 -1.08 +1.15 -0.92 +0.86	± 1.5368 ± 1.6403 ± 1.1127 ± 1.3659 ± 1.5059 ± 1.6683 ± 4.0734					
Shings are for Ets, therefore positive charge denotes a treat; currenty.  Adjustment calcidated by Fanacias Times.										

	Dáy's	Clőse	Cos stooth	% ga.	Three months	% p.1.
S	1,4655 1,4815	14705-14715			1,76-1.71 pm	4.72
	2.0355-2.0277	2.0195-2.0205	0.55-0.45c pm	2.97	148132 mm	2.77
enerlands .		3.195-3.204	D₂Decpor		41-37 pm	5:90
ــــــ خصاواه	98.94-59.23				29-21 pm	1.69
enorark	10.724-10,754	10.734-10.744	4-14ac ds	<b>∸1,40</b>	2.27.65	-0.86
ـــــــ المنطحة	10495-10525	1.0495-1.0505	0.30-0.50p dis	÷457	0.90-1.30 dis	-4,19
. Christy .	283-284	283-284	1/2 1/2 pi per	662	47 <sub>2</sub> -47 <sub>4</sub> pm	6.17
ينبب اأنوناده		213.75-214.68	88-139 c ds	-611	220-316 ds	-507
·	193.54-194.59	194.30-194.55	30-48 c als	-241	87-120 ds	-213
	1979-1998	19914-19925	2-6 fre ds	-241	5-10 ds	-151
ـــــــ وتعدثه	10.821-10.871	10.84-10.85	51-57- per dis	-6.09	15%16% ds	-5.83
24CE	9.424-9.463	9.444-9.45%			3,000 de de	7
	9,94-9,985	9.95%-9.9%	24 汽 吹 幽	226	24.5	1.53
ــــــ مطق	232 2339	232 233	II-II, y pm		37-34 pm	6.56
ist/ba	19.94-20.01	19.95-20.01	97-8½ gró pm	551	274-244 per	535
directord	2.33.2.39	238239	14.00	755	47 <sub>4</sub> -4pq	4.92

XXLLAR	séct-H	ĐỊN ARĐ /	NGAINST T	::- He be	<b>SLIAR</b>	
##. Ŧ	Day 4 aprilad	Close	Goe worth	% pæ_	Three months	96 64
167 <u></u>	1/451/425	1,4705-1,4735 1,4006-1,4076	0.61-0.50t per 1.12-0.90t per	4.25 8.98		
	136 136	13718-13720	0:20-0:25c de	-1.88	8.65-0.70 de	-3.97
letterlands . Stelson	2160071825 3589-41.29	2.1750-2.1750 48.10-40.20	13 c di	-3.58	. 25-29 ds	-2.69
entrark J. Germany .	1072 0015	7.30-7.301 <sub>2</sub> 1.9270-1.9280	2.70-3.60 pre dis 0.28-0.25c pm	-5.17	8.70-9.60 ds	-2.69 -5.81 1.46
. رحداد ده . ــــــ ا <del>دونا آ</del> ن	1454-146	1454-176	120-145c dis	-10.90	320-386 ds	<b>-9:60</b>
	19142-13220 1337-1397		7-9 file ds	-7-11	. 20-22 表	-6.22
or <del>way</del>	7.33-7.39 6.37-6.44		6.20-7.00pre dis 4.68-5.00c dis			-10.58 -5.61
redel	6.734-6.7812	6.76%-6.77%	1.40-1.90 ore dis	-2.92	5.35-5.95 ds	-3.34
ستند به المالية سند المائلة	157,30-158.45 15.46-13.614	198,08 199,10 13,584, 13,594	8.31-8.279 pm 1-10-8.50g/d pm	0.71	2.50-1.60pt	0.52
elieraisi -	1.6055 1.5270	1,620071,6210	0.990.340 (iii)	2,72	0.96-0.91 pm	232

t life nill fréland äre gjobled til ÖS forrensp. Förrenst presidens sidt (fiscourts aboly to the US stollar latt n Ið tre Mandahal ástríreini. Halding spile 18 tar samtiffillið (fisier). Fisionski fram 40.70-40.00.

EURO-CURRENCY INTEREST RATES 114-114 64-64 718-64 513-64 513-15 132-16 73-84 94-102 44-42 14-12 114-114 64-64 778-84 78-64 48-44 34-54 112-134 74-8 111-12 11.06 72.76 72.76 74.74 12.76 12.76 14.8 72.8 74.8 74.8 11.114 64-64 72-74 54-6 72-74 15-18-15-18-16-11-16-11-11.11.4 6.1.62. 6.84. 55.53. 48.44. 310.30. 111.12. 74.6 83.7 44.43. 111.11. 35.34. 106-112 64-64 84-84 55-54 411-41 75-31 74-8 11-11 74-8 8-83-1 103-13 103-13 103-13 

EXCIT	EXCHANGE CRUSS RATES											
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FT LONDON INTERBANK FIXING (11.00 a.m. Jan. 7) 3 months U.S. dollars MONEY RATES

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Thrèe Months 11-10-3 1014-10-1 1012-10-3 11-2 11½-10 111-10# 107-10# 10# 11# 114-11 11-10% 11-104 chicket Deposits Deposits Deposits Deposits Deposits Tressury Birls (Bay) Basic Bills (Bay) Dollar CO Bollar CO Boll

Tregacie Bills (sell); one-month 10% per cent; three-months 10% per cent; Bank Bills (sell); one-month 10% per cent; three months 10% per cent; Bank Bills (sell); one-month 10% per cent; three months 10% per cent; Tregacy Bills, Average tender rate of discount 10.472 p.c. 2650 Fixed Finance Schema IV reference duly November 29 in December 31 (br. instelle): 11.392 per cent. Local Authority and Finance Hoises seven day; motter, others switch day; three Finance Houses Base Base 11½ per cent from Jenuary 1, 1987; Bank Deposit Rates for some at seven day; notice 3.35-4.375 per cent. Certificates of Tax Deposit Sate Sch Deposit (\$180,000 and over held inder one moith 18½ per cent, one-time months 11½ per cent; three-times months 11½ per cent; six-nine financhs 11½ per cent; three-times financhs 11½ per cent; three-times financhs financhs financhs financhs 11½ per cent; three-times financhs withdrawn for cash 5½ per cent.

LONG TERM gilt futures closed ers may be rejuctant to take the little changed on the London Intercontract up to 114-50, because this is national Financial Futures the equivalent trading level of the Exchange yesterday. The March contract opened firmer at 114-13, March delivery glits traded between boosted by the early improvement of 114-00 and 114-08 for most of the day, sterling on the foreign exchanges, and closed at 114-08, compared with News that the West German Bundesbank had intervened to support the dollar tended to depress March gilts. March delivery also opened firm at tabling the entired down to a low of 89.38 supported for the stronger.

dollar tended to depress march girts, march delivery also opened firm at taking the contract down to a low of 89.28, supported by the stronger 113-29. Dealers commented that the pound, but met with selling from market was dominated by news from various traders, including Midland the foreign exchanges, and by tradling out the cash market in a new tap from 80.30 to a low of 89.20, before stock. There was reported to be closing at 89.23, compared with 89.34 chart support at 114-00, but that tradon Tuesday.

US contracts showed little change weakening in early trading but improving on a rumour that a sav-ings and loans institution in Denver, Colorado, had, or was about to be declared bankrupt. This increased hopes of easier US credit policy News that the Federal Reserve had added liquidity to the New York banking system, through a generous ment, came too late to influence Liffe, but boosted prices in Chicago. March US Treasury bonds opened on Liffe at 100-02, and touched 99-22.

Strike Price 15750 16000 16250 16500 17000 17250 17500 Mar. 10.16 8.17 6.21 4.33 2.59 1.44 0.55 0.24 0.00 0.00 0.00 0.01 0.01 0.30 0.97 2.30 16.00 13.50 11.00 8.51 6.06 3.80 1.97 0.50 Mar. 0.00 0.01 0.17 0.43 1.26 2.39 4.06 Parts - Last Feb. Mar. 0.00 0.01 0.01 0.61 1.19 2.17 4.18 5.20 8.67 9.41 13.61 14.20 Narch 0.30 0.70 2.20 5.05 16.10 20.90 20.20 Feb. 025 030 220 4.19 0.95 2.15 4.25 7.45 17.65 22.20 21.40

Calis-June 1.06 0.84 0.63 0.45 0.29 0.19 Page 0.03 0.10 0.17 0.27 0.40 0.57 450 150 150 150 170 170 180 135

100-15 99-15 98-17 97-18 96-20 95-24 94-03 94-29

CHICAGO 20-YEAR 12% NOTIGIAL GILT 650,089 320% of 100% 94-03

Prev. 94.03 94.04 93.95 93.76 93.48 92.84

) S. TREASURY BOMBS 8% |190,800 | \$204 of 190% Close High Low 100-86 180-10 99.27 99-11 — and Volume 3,857 (2,625) a tiny's open int. 3,357 (3,398)

**CURRENCY FUTURES** POURS-- \$ (FOREIGN EXCHANGE)

Sport 1-path, 3-path, 8-path, 12-path, 1.4710 1.4651 1.4537 1.4379 1.4071 | LIFFE-STERLINE 22,000 \$ per 6 | LIFFE-STERLINE 22,000 \$ like | LIFFE-STERLINE 22,000 \$ like | LIFFE-STERLINE 20,000 \$ l

## Sabre FUND MANAGEMENT LIMITED

Prev. 100-16 99-17 98-19 97-21 96-24 95-28

SAPANESE YEN (IMM) Y12:5m \$ per\_Y200

0.6398 0.6322 0.6368 0.6348 — 0.6379

Latest High Low Pres. 0.5200 0.5210 0.5186 0.5229 0.5217 0.5226 0.5200 0.5245 0.5235 0.5235 0.5230 0.5261

18w 94,00 93,99 93,92 93,72 93,43 93,11 92,17 92,44

High 94.04 94.05 93.94 93.74 93.46 93.13 92.78 92.45

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Statements; Financial Futures and Options; Private Client Investment Advice and Management; Bond and Fixed Interest Markets; Investment Analysis; Fund Management; Institutional Investment Advice. The University is also offering evening courses for the Regis-tered Representative and Trader Examinations.

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Celtonik NA \_\_\_\_\_ Clubanik Savings \_\_\_\_ Cey Merchants Bank \_\_\_ Affect Dunbar & Co ... Affect frish Back..... COCKER, BY, St. East \_\_ Heavy Andaches ..... Cypeus Popular Sk..... Duncan Lawrie ...... ANZ Banking Group Authority & Co Ltd....... Banco de Bilban Equator'i Tst C'p ptc Bank Hapoelies..... Bank Lessni (UK) Financial & Gen. Sec..... 11
First Hat. Fin. Corp...... 111<sub>2</sub> Back Credit & Comm ... First Hal. Sec. Ltd ... Bank of Cypnes .... Back of Ireland..... Back of India...... Bank of Septiand ... Robert Fleming & Co..... 11
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Beneficial Trest Ltd
Berliner Stank AG
Brit. Six of Mid. East... HFC Trest & Storings...

Herntable & Gen. Tst..... 11 Hill Samoel.... C. Haart & Co. Meghrai & Sons Ltd..... Mattand Bank

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Morthern Bank Ltd. Morwick Gen. Trust. PK Finans, led (UK)..... Provincial Trust Ltd..... R. Raptori & Sons..... Rosbarghe E'rantee Reyel Trest Back.... Trustee Savings Balt ..... URT Mortgage Exp. ..... United Bit of Kowast ..... United Migrati Back.... Westpac Braking Corp Wintensony Landau o Members of the Accepting Houses Committee. "7-day deposits 6.67%. 1-mouth 7.03%. Top Ties—52,500 + at 3 months' notice 10.007%. At call when \$10,000 + regular deposits 6.1,000 and over \$4.5, more \$1,500,000 + \$1.500,000 for \$1.500,000 + \$1.500,000 for \$1.500,

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ise of computer problems figures for the European Options Excha-table were not available for this edition.

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## **Company Notices**

## **ENERGY SEARCH ONE N.V.**

## Notice of Extraordinary General Meeting of Shareholders

Notite is herby given that an Extraordinary General Meeting of the Shareholders of Energy Search One N.V. hereinafter called "the Company." will be held at the Company's offices at John B. Gorsiraweg, 6. Willemstad, Curaçoa, Netherlands Ahtilles, on Thursday, 12th February, 1987, at 10.00 a.m. (Curaçoa time), for the following purposes;

I. To report on the condition of the Company;

2. To determine the number of Supervisory Board Members and to elect (an) additional Member(s):

3. To aimend the Articles of Incorporation of the Company; 4. To approve a distribution to shareholders:

To determine a remuneration for the Supervisory Board:

6. Any other business which may properly come before the Meeting,

In order to exercise their rights at this meeting, holders of bearer shares must establish their ownership of such shares in a manner satisfactory to the Chairman of the Meeting. Such ownership may be established by depositing such shares at the office of the Company or at Pierson, Heldring & Pierson N.V. Herengracht 214 Amsterdam. The Netherlands for a certificate of deposit of these shares satisfactory to the Managing Director to Pierson. Heldring & Pierson N.V. not later than 5th of February. 1987. and to produce proof thereof at the Meeting. The Managing Director has established 30th January. 1987 as the record date for the purpose of determining Shareholders entitled to vote registered shares at this Extraordinary General Meeting of Shareholders of the Company and Shareholders as of the close of business on 30th January 1987, shall be entitled to vote at such Meeting in person or by proxy. Information related to Item 3 of the agenda is available at the offices of the Company and Pierson. Heldring & Pierson N.V.

As the proposed athended Africles of Incorporation provide for the tonversion of bearer shares into a registration in the shareholders register, holders of bearer shares are recommended to deposit their bearer shares at Pierson, Heldring & Pierson N.V. Herengracht 214, Amsterdam, in anticipation of their conversion.

CARIBBEAN MANAGEMENT COMPANY N.V.

Managing Director

Willemstad, Curaçoa 8th January, 1987

28 BRITISH FUNDS   AMERICANS—Cont.		Financial Times Thursday January 8 1987  - INDUSTRIALS—Continued INDUSTRIALS—Continued
High Low Stock E - Int. Red.  "Shorts" (Lives see to Eine Verse)	LONDON SHARE SERVICE	1986/67 Stack Price - Not C'er Se's Pric Stack Price - Not C'er Se's Price - Not C'er Se's Price Stack Price Stack Price - Not C'er Se's Price Stack Price Stack Price - Not C'er Se's Price Stack Price S
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37 Challestone in allul 2014   301 - 12   255   492-Scassin Groot   510   49   127-92   47   14   40 - 0.7   43   26   Cautysise From   43   42   43   45   45   45   45   45   45   45	136   257   Storelesses   105   286mi-3   1.7.7   24   35   14.8   7.5   47   Beamford 105   7.5   7	19 E507 E15-James Group FM20 C25-year 018-5% \$ 2.0 \$ 201 129-20-20 129-20 129-

STRIALS CONTINUES Financial Times Thursday January 8 1987 270 .... 0654 0 7.5
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(International Edition Page 30)
This service is available to every Company dust in on Stock
Exchanges throughout the liabled Kingdom for a fee of £875 page

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## Account Dealing Dates \*First Declara- Last Account Dealings tions Dealings Day

Dec 22 Jan 8 Jan 9 Jan 19 Jan 12 Jan 22 Jan 23 Feb 2 Jan 26 Feb 5 Feb 6 Feb 16

vident Institution's 6.5 per cent stake in the company had been sold to Kredietbank SA Luxem-

bourgeoise, who already owns a

25.50 per cent shareholding in BS.

Hill Samuel, meanwhile, followed

Tuesday's gain of 18 with a fresh

improvement of 5 to 433p following confirmation that NZI Corporation a New Zealand insurance and

acquired a 4.5 per cent stake in the company. Kleinwert Benson continued to reflect reports of a Far

investor's

higher at 547p, after 552p, while Mercury International were revital-ised by a speculative leap of 12 at

helped Morgan Grenfell recover a

ment recommendation pushed

Chancery Securities up 5 at 146p. Hambres gained 4 at 259p and Schroders added 15 at 720p. The

clearers were overshadowed by events elsewhere, but nevertheless

took a firmer stance. Barclays, sold

earlier in the week following the surprise news that Barclays de

Zoete is advising clients to sell their shares in its clearing bank

parent, rallied 5 at 508p NatWest

also put on 5 at 558p and Lloyds firmed 4 at 454p. Midland hardened

a couple of pence at 605p.

Composites attracted renewed institutional support. Commercial

Union put on 6 afresh at 287p and GRE firmed 6 at 799p, while improvements of 9 and 15 respec-

tively were seen in General Acci-dent, 839p and Snn Alliance, 678p

Breweries continued to shrug

off November's rather disappoin

ting beer production figures to and displayed some noteworthy

gains. Bass featured, rising 23 to

amid feelings that the shares had been neglected recently. Wood Mackenzie Issued a "buy" recom-mendation earlier in the week.

Regionals highlighted J. A. Deven-

fresh speculative demand; the 4.5

per cent Convertible rose 22 to

The Building sector displayed numerous bright features, mainly

reflecting a squeeze on professional bear positions. Among the leaders, Blue Circle attracted good support on hopes of an eventual bid from Australia's Adelaide

Steamship and closed 13 higher at

up 14 at 444p and BPB Industries, the same amount higher at 558p.

Press comment and reports of a broker's circular encouraged demand for Redland which gained

12 to 417p. George Wimpey revived strongly at 190p, up 10, while Cos-tain firmed 9 to 510p and AMEC

FT-ACTUARIES INDICES

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times.

Wednesday January 7 1987

Gross Div. Yield % (ACT at 29%)

Est. P/E Ratio (Net)

718.30 +1.8 8.69 3.63 14.56 0.00 705.37 701.20 699.28 581.44 884.54 +2.1 8.58 3.48 14.67 0.00 866.68 860.39 864.46 624.47 1216.02 +1.7 7.74 3.82 17.75 0.00 1195.32 1794.27 177.54 1564.29 1599.20 +1.4 8.98 2.59 14.77 0.00 1195.32 1794.27 177.54 1564.29 1599.20 +1.4 9.83 4.09 12.95 0.00 399.11 395.84 395.14 327.94 368.73 +2.2 9.91 4.03 12.25 0.00 399.11 395.84 395.14 327.94 282.45 +2.1 9.79 3.72 11.78 0.00 276.59 274.28 272.83 215.70 122.99 +2.6 7.19 4.47 16.49 0.00 1198.50 1186.82 1179.19 1020.56 376.97 +1.7 7.48 3.22 17.17 0.00 960.57 955.80 954.60 756.57 954.03 +1.0 8.91 3.63 14.09 0.00 944.98 939.29 947.17 782.36 76.57 1912.77 +1.4 6.99 2.80 20.17 0.00 1886.82 1883.74 1882.69 1747.31 1765.59 +4.3 5.38 2.15 21.55 0.86 1692.29 1648.57 1645.70 1209.34 1101.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1209.34 1101.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 977.27 973.65 972.99 764.91 1301.22 +1.4 7.42 4.01 17.62 0.00 188.68 1883.74 1882.69 1747.31 0.00 822.58 815.89 813.81 839.83 723.03 1805.68 843.93 1805.68 843.93 1805.68 843.93 1805.68 843.93 1805.68 843.93 1805.68 843.93 1805.68 843.93 1805.88 843.93 1805.68

| Index | Day's | Day's | Day's | Jan | Jan | Jan | Dec | Dec | Year | No. | Change | High | Low | 6 | 5 | 2 | 31 | 30 | ago | 1722.2 | +31.5 | 1722.2 | 1692.8 | 1690.7 | 1680.0 | 1681.1 | 1679.0 | 1673.1 | 1404.2

- 0.00 842.58 837.72 836.40 690.04

Est. Earnings Yield% (Marc.)

713p Buyers returned for Tarms

761p with 1m shares traded

sizeable volume for the stock -

Eastern

A sudden spate of institutional buying which caught some marketmakers on the wrong foot, drove the London stock market ahead strongly yesterday, taking the FT-SE 100 index up by more than 30 points to a new peak

Encouraged by the records established this week in the Tokyo and New York markets, British and overseas institutions bought strongly into the US pharmaceutical, chemical, building and financial share

The market rose sharply in early trading and had already challenged the peaks established last April before topping off briefly while trad-An early advance in New York sparked a final flourish of strength in London, and prices closed at the day's best levels, with gains in the

35p to more than 50p.
The FT-SE 100 index closed 31.5 up at a new peak of 1,722.2 The previous record of 1,717.6 was reached on April 3 last year (1986). At 1,353.0 the FT ordinary index was

The outstanding feature was Glazo, which jumped to a new peak of £11½ as the US funds followed of 11172, as the US funds to howen the lead shown by European and Japanese buyers a month ago. Turnover of 6.5m shares in Glaxa was nearly three times that of the

Also hounding ahead—sometimes Also bounding aneau—sometimes twelf were seen in General Accident, 839p and Sun Alliance, 678p. response to vigorous institutional Lloyds brokers were also wanted demand were Imperial Chemical Hogg Robinson put on 11 at 374p.

Reweries continued to shrug

tries, an Tarmac. The substantial gains in these leading stocks fuelled the strong gains in major market indices. But buying was well spread across the full range of the equity market. While the bullish mood has clearly been swelling for several the marketmakers were days, the marketmakers were caught out by the decision of the the final week of a trading account extended to three weeks to cover the Christmas break

Investment funds are traditionally highly liquid at the beginping of January, and managers are encouraged this year by the strength of other international that interest rates may be about to

However, interest rate optimism was not borne out by the gilt-edged market yesterday, where prices were little changed after a sappointing outcome to the tender for £1bn Treasury stock, dated 1994. Foreign investors failed to materialise at the ender, and the

## Brown Shipley rise

Brown Shipley rise gained 8 to 284p Countryside Prop-erties touched 486p on the better-in a fairly buoyant merchant bank than-expected annual results and sector, rising 15 to 593p on specula-

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL GOODS (210) Building Materials (27)

Electronics (38)

Mechanical Engineering (61)

Metals and Metal Forming (7)

Motors (15)
Other Industrial Materials (21)
CONSUMER GROUP (184)
Brewers and Distillers (22)

Food Manufacturing (25). Food Retailing (16)

Heatta and Housewad Privatelist (29)
Packaging & Paper (14)
Publishing & Printing (14)
Stores (37)
Textiles (17)

FINANCIAL GROUP(118)

Property (48)..... Other Financial (25) ...

Investment Trusts (97) . Mining Finance (2)..... Overseas Traders (12) ..

B All stocks...

**FIXED INTEREST** 

113.41 | +0.09 | 113.31

... 79.36 -0.01 79.38 -

enteres & Loans 114.65 -0.02 | 114.67 -

40 OTHER GROUPS (88)

encies (17)

# Institutional demand takes equities to new peaks tive buying fuelled by talk that the UK Temperance and General Probut Gilts tender disappoints

FINANCIAL TIMES STOCK INDICES											
	مط	5	120.	Jan.	Dec	Year	198	687	Since Compilation		
	7	6	5	2	31	290	High	Low	High	Low	
Government Secs	84.57	84.49	84.66	84.76	85.62	81.56	94.51 (184/86)	80.39 (20/1/86)	127,4 (92,735)	49.18 (3/1/75)	
Fixed Interest	90,74	90.83	90,42	90.23	89.72	87.98	97.68 (7/7/86)	86.55 (23/1/86)	105.4 (28/11/47)	50.53 (3/1/75)	
Ominary ♥	1,353.0	1,334.3	1,322.8	1,320.2	1,313.9	1,123.8	1,425.9 (3/4/86)	1,094.3	1,425.9 (3/4/86)	49:4 (26/6/40)	
Gold Milnes	316.3	315.6	308.9	304.1	268.9	286.6	357.8 (22/9/86)	185,7 (18/7/86)	734.7 (15/2/83)	43.5 (26/10/71)	
Ord. Dhv. Yield	4.22	4.29	435	4.36	4.38	4.43					
Earnings Yid.%(full)	9.99	10.16	10.29	10.33	10.36	10.96		áces	Jan. 6	Jan. 5	
P/E Ratio (net) (*)	12.29	12.08	11.93	11.88	11.84	11.26	Gilt Edged	Bargains	138.6	139.4	
SEAG Bargains (5 pm)	35,831	34,339	34,376	19,640	22,524		Equity Ban	246	294.6	267.5	
Equity Tornover (£m)	-	1,326.57	857 <i>5</i> 4	320.58	498.96	537.A7	5-Day Ave	ie	2681.3	17333	
Equity Bargains	_	45,467	41,258	37,993	32,172	23,031	Gift Edged	Bargakos		103.0	
Shares Traded (mD	_	484.4	335.1	220.8	277.8	245.8	Equity Barr Equity Value		249.7 1465.1	231.8 1232.6	
	10 a.m. 1343.4	11 : 135	.m.e	Noon 1345.5		p.m. 347.3	2 p.m 1352		p.m. 350.9	4 p.m. 1353.0	
Day's High 135 Basis 100 Govi				, Ordinary		ld Mines 1	2/9/55, SE /	Activity 1974		4.	
	LONDON	REPOR	T AND	LATEST	SHARE	INDEX:	TEL 01-	246 8026	-		

ing 2 dearer at 480p. Helical Bar jumped a further 25 to 488p reflec-ting fresh traditional option activ-ity and the announcement that Prampton & Co. of Hong Kong had increased its holding to 10.7 per cent. Dealings in Feb International and the A shares were suspended at 108p and 78p respectively pending an announcement.
ICI led the Chemical sector
higher, renewed domestic and US demand lifting the price to 1129p, a net gain of 35p. Wardle Storeys firmed 5 to 390p ahead of today's annual results.

Leading retailers failed to participate in the general euphoria. Woolworth railied 5 to 703p and Dixons moved up 3 at 325p, but others traded narrowly around overnight levels. Else-where, Casts Vivella, still responding to a recent circular, jumped 19 to 490p as investors found stock in short supply. Goldsmiths touched 270p before closing 4 dearer on balance at 266p following the agreed, increased bid terms from Oriflame. John Menzles gained 10 at 332p and Mrs Field added 6 at 134p.

Plessey revived strongly as institutional support pushed the shares up 10 to 191p with 12m shares changing hands during the course of an eventful session; the company will be a major beneficiary of the Governments recent con-troversial decision to purchase the American Boeing AWAC system.

Cable and Wireless were also favoured and closed 15 higher at 343m, while BICC continued a firm market at 280p, up 4. Elsewhere, Tenby Industries, 60 per cent

Year ago (approx.)

Fri Jan 2

reflecting the management buy-out of its Capetronic subsidiary, firmed 4 more at 96p. Stone International gained 7 at 114p following the interim figures, while speculative gains of 17 and 27 respectively were seen in International Signal and Control, 257p, and Bowthorpe, 591n.

rently favoured by Chase Manhat-tan Securities for its recovery prospects and the benefits of sterling's decline in 1986, encountered some good selective buying interest Glynwed were prominent at 329p, up 13, while Carelo responded alresh to the interim results with a further gain of 15 at 484p. Bid speculation persisted in Baker Perkins, up 16 more at 263p. TI Group rose 10 to 499p and VSEL were similarly dearer at 221p. The new board appointments continued to stimulate buying of Stethert and Pitt which moved up 19 further to 112p. Simon closed 3 better at 308p following the profits and dividend forecast contained in its defence cument against the Valuedale

Leading Food Retailers took a distinct turn for the better and were led higher by ASDA-MFI which closed 4 better at 161n; the interim results are due next Wednesday Kwik Save, overlooked of late, revived with a gain of 8 at of late, revived with a gain of 8 at 251p, while Tesco picked up 4 at 399p. Manufacturers contributed little, although Rowntree Mackintosh, reflecting the firmer trend, rose 8 to 415p.

Trusthouse Forte provided the

300 330 360

160 180 200

Cable & Wire (\*330)

Land Securit (\*343)

Trataigar Hous (\*284)

owned by BSR, featured with a outstanding movement in the Hotel leap of 33 to 208p on news that the sector, rising 5 to 185p, after company had received a bid 186½p; the annual results, are approach. BSR, meanwhile, still expected next Thursday. Grand reflecting the management buy-out Metropolitan edged up 3½ to 45½p of its Capetronic subsidiary, and Ladbroke firmed 5 to 389p.

vided the main source of interest in the miscellaneous industrial issues. Among the international stocks. Glazo featured with a stocks, Glazo feathred with a further rise of & to £11½, partly reflecting overnight US buying, while Wellcome added 20 to 265p. Fisons moved ahead strongly in a relatively lively trade (3.2m) and closed 26 to the good at 561p. Reckitt and Colman rose 16 to 894p and Smith and Nephew closed 5 to the good at 130p in a volume of 9.1m shares. Pilkington, swaiting further BTR bid developments, hardened a shade to 638p; the lat-ter were briskly traded (4.3m) and closed 11 dearer at 284p. Renewed buying on property development potential took Associated British Ports up further to 355p before profit-taking clipped the gain to 10 on the day at 345p. Restmer rose 10 to 150p and rises of 12 were recorded in BSS,256p, and Parker

inally made a new 1986-87 peak of

finally made a new 1966-67 peak of 162p, up 6.

DRG led Paper/Printings higher with a rise of 13 further to 327p.
Bund were also favoured and put on 5 to 221p while Clendalkin gained 23 to 488p and John Waddington rallied 5 to 195p. United were the outstanding performer in Newspapers closing sharply Newspapers, closing sharply higher at 405p, up 27p. Associated were more settled at 404p awaiting today's annual results. Valin Pollen reacted 15 to 165p despite another

280p before settling a net 14 higher

Interest in Properties centred on development concerns balance at \$400 an ounce Recently-overlooked London and with the Financial on development concerns balance at saw at outco-conference and a sum of the financial Rand's Edinburgh moved up 20 to 555p, relatively firm performance while Resehaugh, reflecting against the dollar effectively renwed interest in the City Broad-choked off recent enthusiasm for College of the content of th gate development, advanced 20 to

attracted the lion's share of the up on balance at 328p. Associate closed no better than mixed.

Caledonia Investments gained 9 to South African Financials, 297p while recently-acquired however, retained a firm and 2000.

Institutional activity boosted Textile leader Courtailds 9 to another lively turnover in De 323p during a turnover of 2.2m Beers, which touched 544p before shares. John Crowther also enjoyed brisker trading and gained 6 to 159p while Robert H. Lowe spuried 9 to 160p ahead of Monday's preliminary statement Early's of Witzey resumed their end-year advance in the absence of any further profit-taking, rising 5 to 166p, but end-Account selling brought Victoria Carpets back 8 to

A combination of domestic and US support saw BAT Industries emerge strongly from a lean spell and the shares jumped 21 to 483p. Mercantile House rebounded to

## NEW HIGHS AND LOWS FOR 1986/87

300 330

500 550 600 117 70 25 225 80 37

460 500 550 85 43 10

52 27 9

450 460 550 550 85 52 20 5 97 65 32

165 130 93 148 120

-290<sub>2</sub> 171<sub>2</sub> 91<sub>2</sub>

R.T.Z. (\*700)

7r.111,% 03/07 (%112)

Book (\*241)

Teses (\*297)

LONDON TRADED OPTIONS

PUTS

128 128

Jan. Apr. July Jan. Apr. July

Albed Lyons 280 64 73 80 02 2 4 (\*341) 300 44 55 65 11 4 8 30 15 30 14 33 38 4 10 18

15 | 33 | 38 | 2 | 2

152 — 102 113 60 72 27 40

20 121<sub>2</sub> 61<sub>2</sub>

25 30 -42 24 13

42 27 16

- 68 45 25 73 50 28 13

58 1 37 11<sub>2</sub> 19 19

56 31 14

222 172 122 73 38 187 137 97 60

53 **%**25 1 -59 43 31

500 550

460 500 550

12.05 11.62 11.60

Cathery School (\*188)

11.11

11.11 11.11

11.11

1111

5 years....

49 25 14

100<sub>2</sub> 13 04 2 3 5 7 55<sub>2</sub> 65<sub>2</sub> 7 2 3 15 155<sub>2</sub> 155<sub>2</sub> 1 — 25 255<sub>2</sub> —

2<sup>1</sup>2 9 18 —

Mar June Oct Mar June Oct 145 - 1 105 125 5 60 80 17

Feb May Aug Feb May Aug 107 113 - 1 2 9 67 73 88 2 6 9 34 43 56 7 15 20 8 20 30 32 42 47

7 25 57

62 75 Z2 37 47 13 13 25 50

41 25 16

37 27 12

49 0½ 32 2 18 10

0<sup>1</sup>2 2<sup>1</sup>2 14

2 5 18

1 4 24 47 7 14 30 20

1<sup>1</sup>2 6 17

NEW HIGHS (256) TRUSTS (81), GILS (8), OVERSEAS BRITISH FUNDS (3), AMERICANS (1), TRADERS (3), MINES (7).

CALLS

130 90 60

27

8 124 50

42 28 15

77 45

47 31 17

74 83

360 | 36 | 47 | 57 | 3 | 8 | 10 390 | 13 | 31 | 35 | 11 | 17 | 23

BRITISH FUNDS (3), AMERICANS (1), TRADERS (3), MINES (7).
BANKS (9), BREWERS (2), NEW LOWS (13)
BUILDINGS (22), CHEMICALS (2), CHEMICALS (1) Ashley (Laura).
STORES (12), ELECTRICALS (11), ELECTRICALS (1) Outron intol. FOODS
ENGINEERING (8), FOODS (8), (1) Cranswick MIII. INDUSTRIALS (5)
HOTELS (3), INDUSTRIALS (27), Ashley Ind Ts. Domainon Injul, Hantleigh
INSURANCE (5), LEISURE (8), Tech, NMW Computers, TSL. Thermal
MOTORS (4), NEWSPAPERS (4), Syndicate, INSURANCE (1) Alexander &
PAPER (7), PROPERTY (10), Alexander PAPER (1) Finch, TRUSTS
TEXTILES (1), TOBACCOS (1), (2) Ind Fin & Inv Cpn, Smith New Court.

Feb. May. Aug. Feb. May. Aug.

PUTS

1 22 5

session at 388p but other Finan-cials were much quieter. MAI picked up 5 further to 465p, while lifted J. T. Parrish 15 to 395p.

## Oils higher

Knell, 437p, Bid hopes prompted fresh support for High Peint Ser-vices, which advanced 15 further to The oil majors made steady progress. British Petroleum shrugged aside reports of a chart sell signal relegated as Distributors took the honours. Caffyns surged higher to close 11 higher at 740p, while Shell moved up 16 to 1008p. Ultra-mar revived strongly at 170p, up 9, when a flurry of speculative interest caught marketmakers on the hop and the shares touched and Burmah put on 9 to 401p. the latter reflecting re-rating sugges-

at 275p. BSG were well supported and rose 3½ to 58p, while Lex Service pulled out of a period of weak-trade The dual features of Overse and rose 3½ to 58p, while Lex Service pulled out of a period of weak. Traders were again Incheape and ness to end 12 better at 29½p. H. & J. Harrisons and Cresfield. Bob Quick continued their advance and and Aitken, reckons that 1987 will be a year of growth for Inchcape and that potential takeover and asset situation Harrisses and Cros-field deserves a higher rating; the former gained 8 more to 533p while the latter rose 14 to 487p.

South African mines, having ity to break out of its current trading range—the metal, fixed at \$399.5 during the morning, later

Golds from Johannesburg, Continental sources, also sizable buyers of top-quality producers of late, showed little inclination to add to their present positions and

come upturn in the CSO's rough diamond sales last year prompted

the day and 27 over the past two trading sessions. London-domi-ciled Financials also found renewed favour. Consolidated Gold Fields, again in receipt of a sizable traded option business, advanced 10 more to 703p as stake-building speculation persisted. Greenwich Resources, a New Year investment recommendation, put on a few pence to 158p

Fresh speculation in BAP resulted in yet another firm dis-play by overnight Sydney and Mel-bourne markets. BHP advanced a few pence to 416p reflecting hopes that either John Elliot or Robert Holmes a Court is set to increase

## **Traded Options**

The buoyant performance of equities stimulated active conditions in Traded Options. Total contracts struck amounted to just over 40,000 with operators continuing to display enthusiasm throughout the list. British Gas and Hausen Trust attracted over 4,000 calls apiece.

## Traditional Options

• First dealings

Jan 5 Jan 19 Feb 2 Last dealings Jan 16 Jan 30 Feb 13

Apr 2 Apr 23 May 7
• For Settlement

Apr 13 May 5 May 18
For rate indications see end of Unit Trust Service Stocks favoured for the call included Jack L. Israel, Stewart

Nairn, Ryan International, Ward White, Skyline, North Kalgurii, Clyde Petroleum, Amstrad, Engineering, Thomas (Loxley), ASDA-MFI, Dairen Interna Guarantee, Rex Williams Leisure, Barratt Developments, Reed Executive, Irish Distillers, Bardsey, Campari, Coursy, Swan Hutcheson. No puts were reported, but doubles were taken

## TRADING VOLUME IN MAJOR STOCKS

The following is based on tracing volume for Alpha securities dealt through the SEAQ system vesterday until 6 pm. ASDA-MFI ..... Lilled Lyons..... 

## RISES AND FALLS YESTERDAY

5ame 27 71 589 243 53 12 79 60 British Funds
Corporations, Dominion and Foreign Bonds
Industrials
Financial and Properties 638 248 42 1 64 95 Totals 1151 520 1,134

## **LONDON RECENT ISSUES** EQUITIES

		Latest	78				_			_	<del>,</del>
işgde,	Paid	Reserv	. <del></del>	10/0/	Stock	Clesing	+ =	Het.	Times	Gross	P.E.
Price	₽	Date	High	Low	]	Price	-	Div,	Covid	Meld	Ratio
§1,22	₽₽.	2/1	153	135	#Ashtead Group 10p	151	-1	R3.0	35	28	14.4
B R	F.P.	I . —	67	65 -	#Avesco (Reg) lp	66	}	خمان ا		133	16.9
§38	F.P.	28/11	471-2	39	&B.C.E. Hidgs 50	4712	}	Relia	130	30	158
11	F.P.	1 -	27	24	Benson (SG8)	25		bd0.5	3.2	28	15.6
ŽI	F.P.		51	37	#Border TV	46	<b> -3</b>	· 25	3.2	77	5.7
135	50	20/2	68	61	British Gas	657	<u>+14</u>	w6.5	21	نه	10.9
<del>5</del> 65	F.P.	8/1	71	63	#Cap & Reg Prop 30p	71	+2	_	=	=	36.8
175	F.P.	20/1	198	173	Fletcher King 10p	173	i-ž	R4.5	25	37	íξij
<b>494</b>	F.P.	6/1	110	107	#Gayeor Group 10s	1053	+ī5	1267	28		14.6
<del>/7</del> 5	F.P.	19/1	108	105	∳Halts Homes&Gons 5p .	106		R2.77	27	37	ΪĨ
\$23	F.P.	5/1	26	24	Harmony Leisure 50	26		101	124		20.9
\$200	F.P.	14/1	121	100	#Hornby Group 5g	103	-21,		28		11.7
\$128 \$150	F.P.	30/1	150	146	Hoskyns Group 5p	147	-ī`	01.6			16.4
§150	F.P.	21/1	170	158	&Johnson Fry 10p	161	+ī	13.72	Ξī.		14.1
<b>₹65</b>	F.P.	21/1	672	65	Logitek 5p	67	+1	718		38	9.8
5144	F.P.	23/1	149	14412	MIL Research 5p	145		13.0			140
§102	F.P.	l —	111	105	èMayborя Group 5р	105	-i	R3.2	30		10.9
150	75	_	78	76	Mezzarden Tst. (pc	76		43.0	=	24.3	
50	F.P.	_	53	51 ·	Do. Capital 50p	51			1 = 1	_	_
\$105	F.P.	19/12	105	9412	Miss Sem 10s	95		15.91	24		œ
<b>9152</b>	F.P.	23/1	158	152	Nobe Group 10p	153		r4.75	28		متت
560 170	F.P.	8/1	96	80 ·	#Northpenbrian Foods 5g	87	-1	1.7	25		184
170	F.P.	1912	251,	193	#Spandex 1.0o	242	-2	<b>203.0</b>	27		303
F135	F.P.	91	143	138	Sumit £1	I38		¥3.5	ដ	امتو	_
70	F.P.	971	ננו (	90	&TSB Channel Islands	īii l	+1	R3.92	37	77	7.7
<b>5112</b>	F.P	80	120	119	#Tribble Harris \$0.01	120		r03.6c	28		17.6
\$135 T	F.P	23/1	148	738	Wilding Office 10s	148		13.25	23		195
	F.P	· -/	96	87	Yeoman Inv. Cap. Ip		+1		~1	<b>~</b> (	~~
FIX	ED.	N	ERI	EST	STOCKS						
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Section   Sect	Issue Price		Lates Resunc	198	687	Stock	Cassing Price	+ 0
\$100   \$F.P.   102*gs   99*gs   Heavier Prize & Ser. 'B Pri. \$3.01   110s   1	£	单	Date	High		<del>;</del>	£	-
"RIGHTS" OFFERS	100 101 101 100 100 100 100	F.P. F.P. 981 EDO ESO F.P. MR	193 155 —	1100 1027-25 1059 500-4 127-1 497-2 1004-4	300m 300m 300m 300m 300m 300m 300m 300m	Serial Western Res. Ser. 19 Prl. \$0.00 Hasther Drace 64% Cur. Cans. Red. Prl. £1 int City Hidgs 84% Con Cans Red Prl. £1 Lebarre Inns. 7% Cans. Care. Red. Prl. £1 lebar Cons. Trl. Cans. Care. Red. Prl. £1 lebar Cons. Water 85% Ser. 1971. 1971 lebar Cons. Water 15% Red Deb2012-16 lebar Cons. 1981. 1982. Red. Deb2012-16	110p 1022p 105p 4ppm 121 <sub>q</sub> 45	+2 +15

issue : Price	Amount. Pakt	Latest Repenci Date	Researc				Closing	+ 00
	· Wp		High	Low		Price	-	
335 55 143 100 65 14 5 66 11 <sub>2</sub> 10	ME M	307 307 307 307 307 307 307 307 307	36pm 20pm 34pm 22pm 14pm 13pm 13pm 27pm 27pm 211pm 38pm	20pm 12pm 13pm 10pm 41pm 11upm 3pm 1pm 1pm 7pm 22pm	Auto Robber E1 Sethaner Brewtry Berthaner Brewtry Berthaner Brewtry Horizon Miles F-reshauter Foots 50 Marting Ind 10g Mastern Bres 10g Marting Ind 10g	33per 20per 34per 22pm 14per 13per 3per 22per 20per 9per 38per 38per	+4 +2 +2 +1/2 +1/2 -1/2	

## xd adj. today 9.66 9.91 9.91 10.58 10.22 9.99 10.66 19.38 18.04 9.85 Day's change % Tires Jasi 6 PRICE (NOICES xd adj 1987 9.67 9.96 9.96 10.58 10.24 10.02 10.66 10.41 10.08 9.87 9.94 10.41 10.41 11.63 10.85 10.47 11.72 11.04 10.58 10.15 4 Medium 5 Coupons 0.40 119.88 +0.06 | 119.81 7 High Coopers 133.95 +0.14 133.77 2 5-15 years 0.00 141.86 +0.25 140.71 3 Over 15 years. 152.51 | +0.11 | 152.34 131.52 +0.13 131.35 0.18 5 Ali stocks ... Index-Linked 11 Inflat's rate 5% 3.77 3.80 2.28 3.64 3.88 3.80 2.31 3.64 0.0 0.0 0.0 5 yrs... Over 5 yrs... 5 yrs... 12 inflat's rate 5% 13 inflat's rate 10% 14 inflat's rate 10% 336.10 +0.07 | 116.02 615 years... 112.93 +0.09 |112.82 0.00 7 Over 5 years.

0.00

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t 11.78 | 11.78 | 12.01 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constitue is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

ursday January

E IN MAJOR STOCK

ALLS YESTERDAY

CENT ISSUE

)CKS

## WADI D CTACE MAADIZETC

traden.		W.	ORLD STO	CK MARKETS	
Resources to the	AUSTRIA  Jan. 2 Price + or Sch. — Jan. 7 Price + c	NORWAY    Price + or   Jan. 7 Australia (continue)	ce + cr Price + o-	CANADA	
Burtle State	Credit'nst'it pp 2,135 - 75 Goesser	Bergens Bank 188.5 -0.5 Bergsen B 265 Christiana Bank 208 +2.5 Den Norke Grod. 179.5 +1.5 Elkem 95.5 -0.5 Kosmos 175 +1. Norcent 179 -1 Norcent 179 -1 Norcent 119 -1 Norce Datz 211.5 -1 Norsk Hydro 1145 -2.5 Norsk Hydro 144 -2.5 Norsk Hydro 144 -2.5	### ### ##############################	Sales Stock   High Low Class Choq   Sales Stock   High Low Class Choq   2009 Citui 8   519   187 <sub>8</sub>   19   18600 Cardor   5157 <sub>8</sub>   153 <sub>4</sub>   157 <sub>8</sub>   + 1 <sub>8</sub>   2000 Cardor   5157 <sub>8</sub>   153 <sub>4</sub>   157 <sub>8</sub>   + 1 <sub>8</sub>   2000 Cardor   5157 <sub>8</sub>   157 <sub>8</sub>   157 <sub>8</sub>   + 1 <sub>8</sub>   2000 Cardor   5157 <sub>8</sub>   157 <sub></sub>	Sales Steck   High Law Close Cang   Sales Steck   High Law Close Cang   105025 Hawker   \$2614   2615   2614   +14   2445   Omega Hyd 495   485   485   1800   Hayes D   \$13   123, 1234   +14   24672   Oshawa A   \$19   1816   1816   -16   1800   Hayes D   \$13   123, 1234   +14   24672   Oshawa A   \$19   1816   1816   -16   1816
Traded Option The Control of the Con	Jan. 7 Fra. — Oalmier-Benz. 1,280xr — 9  B.B.L	SPAIN   Price   1 or   1.9	7 In m Corient Finance 1,270 + 10	2700   Abertent	STODE   IMBRECO   STATA   233,   3415   + 76   5124   81   900   A   5513,   1515   5115   + 15   1515
Fractitional op First de slongs Jan 10 Jan 19 Feb Jan 16 Jan 26 Feb Jan 16 Jan 26 Feb Apr 2 Apr 22 Mars	Royale Beige	Telefonica	6 + 0.82 Saniva Sank 1,750 - 50 + 0.15 Saniva Sank 1,750 - 50 + 0.15 Saniva Sank 1,750 - 50 5 + 0.15 Saniva Elect 1,250 5 + 0.15 Septoro 1,280 5 + 0.15 Sekisti House 1,750 - 10 5 + 0.15 Savan Elevan 8,400 5 + 0.15 Shimizu Constn 766 - 17 Shimizu Constn 765 - 17 Shicaldo 2,000 - 50 Showa Denko 770 - 9	170379 St. Month 32519 3412 3412 3415 + 52 1500 Comman La 271 22 2514 + 72 26237 St. NSCot 5103 174 1776 2650 Crowner S.2514 25 2514 + 72 26745 Bell Can 52514 577 38 + 3, 49419 Crowner A 1 5107g 10 10 20 250609 Bonanza R 270 215 215 + 5 2700 Carr Rea 164 167 167 + 1	190300 Lazana
Material International Control International	DENIMARK   Jan. 7   Price   + or   Thyssen   122   -1.1   Varta   587   -1.2   Varta   587   Varta   587   Varta   587   Varta   587   Varta   587   Varta	Exicasion   222   1   China Light   21.1	Talyo Kobe Bank 812 —27 Takeda — 8,540 —40 Takeda — 8,540 —40 Takeda — 8,540 —40 TDK — 3,770 — 40 Tokin Merryo — 1,670 —70 Tokin Merryo — 1,670 —70 Tokyo Gea — 1,800 —40 Tokyo Gea — 1,080 —50 Tokyo Gea — 1,080 —1,	22865 CCam er p St24; 234; 234; 234; 234; 234; 234; 234; 2	100   Molaco   Marie
Prok Brack Structivate IN MAJOR STOCK		Allsuissa	Yamazaki - 20 + 10 Yamazaki - 1,650 + 10 Yasıda Fire - 980 + 20		
April 6 2 - Saltinguy and 6 2 - Saltinguy 100 - Saltinguy April 100 - Saltinguy	NETHERLANDS Emprunt 4/2/1975, 1,615 -3	BECORS SUCRETAL 9,025	-10 +4 Boustand Hidgs 1.27 +10 Geld Storage 5.64 -0.02 -30 DBS	NEW YORK-DOW JOMES	Jan. Jan. Jan. Jan. 1986-87 AUSTRALIA
With the second	ACF Holding 64   Bongrain 2,495 -15 AEGON 89.5 -0.8 ANOID 107.7 -0.3 CIT Algebra 4,385 -65 CIT Algebra 4,385 -65	Pirel II	-80 Hong Leong Fin. 2.80 +0.94 +10 Incncape Bhd. 2.75 +0.94 -40 Keppel Corp 2.78 -0.94 	Jan   Since Compilation   1983/87   Sinc	All Ord, 1/1/180) Metals & Mnis. (1/1/80)  AUSTRIA Creditbk Aktien(\$30/12/64 227.88 : (ct 228.95 250.80 288.84 (28/4) 228.58 (5,8)
20 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	ABR. 524 -8.5  AMEV 74 -1  AMRO 90 -0.2  Sendero Cert. 87 -3  Bos Kalls Wester 8.8 +0.3  Bos Kalls Wester 55 3 -0.7  Bushrane 74 -1  Colimps -1 400 -3.5  Damart 2400 -3.5	Swissair	+30 OUSC 9.10 +0.65 +30 OUB 3,34 -0.02 +20 Public Bank 1.18 -0.02 -50 Sime Darby 1.96 +0.81 -30 Singapore Air 9,30 +0.85 -10 Singapore Air 9,30 +0.85	Transport 842,42 841,83 848,72 818,38 897,17 810,20 886,74 886,74 886,74 866,74 (8712)  1000 1000 1000 1000 1000 1000 1000 10	BELGIUM Brussels SE (1/1/84) 4808,46 4017.57 3986,26 4038,19 4181,69 (8/12) 2768,81 (15.1) DENMARK Copenhagen SE(5/1/85): 182.55 189,94 (u) — 250,70 (18/4) 186,28 (1),11)
67	Dordtsche Pet'm 199.8 \( \) 1.3 Esuz (Cle Gen) 1,350 \( -10 \) Eisevier-NDU	AUSTRALIA  Price   + or   House Real Ft. 1 (20)    Price   + or   House Real Ft. 1 (20)	-60 Straits Trading 3.76	Treeling vol — 189.30   181.95m   31.58m   139.17m   126.18m   — — — — — — — — — — — — — — — — — —	FINLAND Unitas GenL (1975) 434.5 430.5 425.2 425.8 434.5 (7/1/87) 258.3 (2:1/85) FRANCE CAC General (51/12/82) 405.5 494.5 836.1 382.9 414.8 (15/12) : 267.8 :2/1.86, Ind rendance (51/12/85) 102.6 102.4 98.7 97.80 102.8(7/1/87) 97.8 (2/1/87)
	Hoogevens	ACI Inti. 4.1 +0.84 Honda 1,370 Honda 2,560 Arricor 4.4 +0.1 Inhikawajima HrJ 40.5 ANZ Group 6,96 +0.85 Inhikawajima HrJ 40.5 Inhikawajima HrJ 40	1 -10   Price   + or   + 80   + 80   Abercom   3.20	Ind Div Yold 9s 3.48 3.59 3.58 4.11  STANDARD AND PODES	GERMANY FAZ Aktien (81:12:58) 889.85 578.84 1 671.71 606.10 755.88 (17:4) 583.82 (22:7) Commerzbank (1:12:55) 2029.9 2049.5 2035.5 2016.40 ,2278.8 (17:4) ,1782.4 (22.7) HONG KONG
781 A	Nat Ned Cert	Arindre	+10 Barclays Bank 19.25	Jan	Hang Seng Bank(51/7/64) 2807.11 2585.87 2552.48 2540.88 2507.11(7/1:87) 1559.84 (19/5)  ITALY Banca Comm. Ital.(1972 728.75 (c) 772.84 726.16 908.29 (20:5) 454.57 (24/1)  JAPAN**
100 17	Robert   95.5 + 0.5   Robert   1.280   -4   Robert   1.280   -4   Robert   1.280   -4   Robert   1.280   -4   Robert   1.280   -2	Bond Corp Hidgs: 2.75	+3   CMA Gallo   3.0	Companies 255.23 252.78 252.78 266.45 242.17 243.37 255.3 203.49 253.3 4.48 (22/16) (22/16) (22/16) (22/16)	Mikkei (18/6.48)   18842,4   18956,5 18828.5 (c)   18938,8(8/1/87)   12961.8 (21/1)   1507,74   16936,82   1575,31 (c)   1583,82(6)1/87)   1226,45 (21/1)   1587.62   1576,31 (c)   1583,82(6)1/87)   1226,45 (21/1)   1226,45 (2
	VMU	CRA 7.68 +0.88 Marubeni 3,840 CSR 3,64 -0.68 Marubeni 2,840	Rust Plat 48.50.1	Dac   Dac   Cor   Year Age (Approx)	NORWAY Oslo SE (4/1,8B) : 868,94   869,10 884,75 881,96 482,91 (18;7)   581,61 4 8) SINGAPORE Straits Times (50/12/66)   883,25   890,87 882*24   889,88 948,64 (8/11)   565,84 (28;6)
LLS YESTERDAY	NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended, ad Ex dividend, at Ex scrip issue, at Ex rights, as Ex ati, * Price in Kroner.	Comalco 'A' 2,58   +0.06 M'bishi Bant 2,190	10 Page Valdings 100E . 01	M.Y.S.E. ALL COMMON PASSES AND FALLS  Jan	SOUTH AFRICA  JSE Gold (28/9/78) - 2965.0 2915.8 1988.0 2966.0 (8/1/87) 1184.1 (21:6)  JSE Indust (29/9/78) - 1451.0 1484.0 1428.6 1434.0 (5/1/87) 1019.3 (214)  SPAIN
	OVER-THE-COUNTER	Nasdaq national market, closing prices		Jan   Jan   Jon	Madrid SE (80/12/85) 217.89 (c) 216.98 : 212.94 217.89 (7:1/87) 108.95 (8.1.85)  SWEDEN Jacobson & P (61/12/66) : 2456.08 (g) 2485.56 2471.26 2572.78 (7/11) 1725.57 (29/1)  SWITZERLAND
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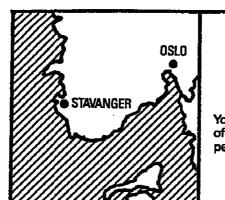
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# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

| Path | Fig. | Path |

# NYSE COMPOSITE CLOSING PRICES | AMEX COMPOSITE CLOSING PRICES

# FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

# **Concerted** surge to new peaks

FALTERING two points shy of its second millenium, the Dow Jones industrial average enjoyed another robust rise yesterday in heavy Wall Street trading, writes Roderick Oram in New York.

Credit markets opened on a mixed note but prices picked up during the afternoon in another quiet trading session. The Dow closed up 19.12 at 1,993.95, setting a record for the third day in a row. It had backed away, however, from its next major threshold moments be-

fore the end of trading.

Stocks had begun the day on a negative note as profit taking made the Dow dip below the previous day's close. It re-covered steadily during the morning with the advance reflected in the broad-

Having lagged behind the Dow in setrecords this week, both the New York Stock Exchange composite index and Standard & Poor's 500 closed above their old peaks, up 1.62 to 146.63 and up 2.56 to 255.33 respectively.

NYSE trading volume remained heavy

at 190.9m shares with advancing issues topping those declining by a margin of

Tokyo New Stock Exc

STOCK MARKET BIDICES

255.23

316.3

1,534.1 754.8

1,993.95 1,974.83 1,595.71

213.78

1,722.2 1,690.7 1,415.2

922.34

10.08

315.6

18,842.37 18,936.76 12,991.2

1,523.1 747.1

4.006.40 4,017.57 2,810.34

2,058.70 2,048.7 2,119 3 155.90 3,120.7 2,888.6

1,584.93 1,566.16 140.91

404.50 102.40

669.86 676.84 677.82

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279,90

274.60

890.07

603.30

Jan 6 Pravious Year acc

365.0

Jan 7 364,75p

£1,655,50

\$18.10

3400.25

(C)

369.10 397.05

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278.5

457.83

102.4

248.0

630,48

Year Ago

(c) 101.78

(c) 1,883.76

612.3

259.0

Prev 365.85p

£918.25

\$18.175

\$402.35

£1,632.50

Jan 7 Prev \$400.00 \$401.00

\$400,75 \$401,75

\$399.40 \$401.63

405.50

102.60

278.80

366.94

2,458.08

368.20

COMMODITIES

GOLD (per ounce)

1,587.54 1,593.62 1,033.47

252.78 213.80

706.79

179.06

1,123.8

922.34

286.8 10.58

(c) 251.760

C\$

842.42 841.93

1.353.0 1.334.3

1400

1200

800

DJ Industrials

DJ Transport

S&P Composite

DJ Utilities

LONDON

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

BELOWK

CANADA

Compos

Portfello

FRANCE

WEST GERMAN

HONG KONG

STALY

Hang Seng

Banca Comm

METHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

Oslo SE

SINGAPORE

Straits Times

JSE Golds JSE industrials

SPAIN Medrid SE

SWITZERLAND

MS Capital Int'i

Silver (spot fixing)

Copper (cash) Coffee (March)

SWEDE

WORLD

(Landon)

London

Zürich

Paris (fixing)

New York (Feb)

BOUTH AFRICA

Metals & Mins.

Credit Aktie

Belgian SE

Toronto Motais & Minis

TOKYO

FT Gold mines

FT-A Long glit

KEY MARKET MONITORS

three-to-one. Strong advances were also shown in the secondary markets which had risen far less than the Big Board

Among blue chips, Aluminum Company of America gained \$% to \$36%. General Electric rose \$1% to \$91, International Business Machines edged up \$\% to \$123\%, 3M gained \$\% to \$120\%, Procter and Gamble rose \$\% to \$79 and United Technologies advanced \$\% to \$48\%. Whether the market can hold over

2,000 is widely debated. Recent strength, attributed to seasonal factors and a bounce back from the heavy tax-related selling in December, may not be suffi-

cient to sustain the advance for long.

In yesterday's trading, Diamond Shamrock gained \$1% to \$14% after Mr T. Boone Pickens renewed his bid for the oil company with an offer to buy up to 20m shares at \$15 each. Mr Pickens' corporate vehicle, Mesa Limited Partnerships, was unchanged at \$16%.

Airborne Freight jumped \$1% to \$32% after TNT disclosed that it had lifted its stake in Airborne to 17.6 per cent. The airfreight company rejected a \$29 a share offer from TNT in November.

Boeing, down \$14 to \$50%, was the most actively traded NYSE stock as it added to its losses suffered on Tuesday after an analyst cuts his earnings' fore-

Texas Air gained \$\% to \$37\%. One of its subsidiaries, People's Express, announced a steep loss in December traffic. Some airline stocks were weaker yesterday as oil prices coninued to drift upwards. AMR slipped \$% to \$56%, and NWA lost \$% to \$63% and UAL was off \$% at \$54% while Delta Air Lines was

1986 87

6,4225

1,6205

1.354

6-month USS

Source: Harris Trust Savinas Bank

161.73

142.90

156.29

7% 1996 7% 2016

3% July 1990

10% Jan 1993

9% March 2016

81/4 April 2016

Citicorp 9% March 2016

CHICAGO

March

March

LONDON

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

US Tressury Bonds (CBT)

6 April 1996

2,1755

CURRENCIES

158.75

6.3875

1,6125

2.1660

1.340

1,3740

US BONDS

ary 7° Ylekt

Jan 7 Day's change

+0.20

+0.14

+0.10

January 71

FINANCIAL FUTURES

91,927

6.215 100 ½ 6.232 6.913 100 ‰ 6.93

6.87

6.59 6.28 6.66

92,112 6,45

102 9.175 101.5 9.224

100-24 100-26 100-02 100-18

94.81 94.83 94.74 94.77

114-08 114-15 113-29 114-10

94.00 94.03

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7.059 101 %e 1012 7.35 1012 7.35

STERLING

Jan 7 Previous

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2.38

3.1975

1,978.50

2.0285

1.4710 1.4765

9.4475 9.4325

2.835

232.50

2.385 3.20

1.992

2.0200

11%

US DOLLAR

Jan 7 Provious

1.9275 1.91200

unchanged at \$49% and USAir gained \$%

Oil companies were mixed Exxon slipped \$1/2 to \$73%, Texaco was unchanged at \$37%, Chevron advanced \$% to \$47% and Standard Oil rose \$1% to

Time Inc. jumped \$2% to \$73%. Merrill Lynch's media analyst upgraded his recommendation on the stock to buy from neutral on the basis of higher earnings

forecasts. Credits markets continued quiet yesterday with prices mixed in the morning but firming up in the afternoon. The 7.50 per cent benchmark Treasury long bond gained % to 102% at which it yielded 7.33

Three-month Treasury bills lost five basis points to 5.42 per cent while sixmonth bills edged down one basis point to 5.47 per cent and year bills slipped two basis points to 5.46 per cent.

The Fed Funds rate continued to ease to the 6% per cent level by early afternoon. The Federal Reserve supplied liquidity with five-day system repurchase agreements when the Fed funds rate stood at 6%s per cent.

Some analysts are beginning to get a little edgy about the employment figures due out on Friday believing the number of new jobs created in December might be higher than earlier forecast. A rise of about 300,000 jobs would be seen as a sign of stronger economic growth which in turn would put downward pressure on

## TOKYO

# **Protectionist** fears cause a setback

AFTER A HIGHER start, the Nikkei average plummeted in Tokyo yesterday on reports that a series of protectionist trade bills had been re-submitted to the US House of Representatives, writes

Shigeo Nishiwaki of Jiji Press.
The 225-issue market indicator, which rose 52.95 soon after the opening, nosedived 253.08 in the afternoon. However, financial stocks rallied on heavy buying by securities house dealers towards the close, so that the average recouped much of its loss and closed only 94.39 lower at 18,842.37. Losses outpaced gains by 490 to 347, with 149 issues unchanged

Volume increased from 472.80m shares on Tuesday to 546.60m. But this was far less than the daily 2bn plus shares registered during last August's bull market when institutional investors poured funds into stocks.

Trading so far this year has been limited to dealer transactions in financial stayed on the sidelines since late last year, although some have been quick to sell for profit as soon as prices rise.

Renewed fears of US protectionism brought blue chips down on a wide front. NEC and Matsushita Electric Industrial lost Y30 each to Y2,000 and Y2,020 respectively, while Toyota Motor fell Y40 to Y2,050 and Sony Y60 to Y3,370. But selling was only light, as shown by the modest 3.33m Matsushita shares traded.

Among budget-affected issues, Kaji-ma dipped Y10 to Y1,540, Toyo Con-struction Y7 to Y590 and Kumagai Gumi Y10 to Y1,280. Pharmaceuticals continued to lose ground, with Takeda Chemical dropping Y40 to Y2,540. Kaken Pharmaceutical, Daiichi Seiyaku and Tanabe Seiyaku all finished Y60 lower at Y1,900, Y3,250 and Y1,760 respectively.

Major losers included utilities. Tokyo Electric Power plunged Y140 to Y7,790 and Tokyo Gas Y40 to Y1,080.

Investors bought non-life insurance stocks. Taisho Marine & Fire Insurance gained Y55 to Y1,030, Yasuda Fire & Marine Insurance Y20 to Y980 and Sumitomo Marine & Fire Insurance Y40 to Y1,120. Among actives, Tokio Marine & Fire Insurance advanced Y40 at one stage but finished unchanged from Tuesday at Y1,890,

City and trust banks, which contrib-uted much to pushing up the Nikkei av-erage to a record high on Tuesday, declined sharply under profit taking pressure. But they recovered rapidly later thanks to dealer purchases. Sumitomo Bank, for instance, lost Y70 temporarily but closed unchanged at Y2,630. Fuji Bank finished Y10 lower at Y2,190 after plunging Y120 at one stage.

Bond prices firmed in relatively heavy trading despite negative factors such as the weak US bond market. The yield on the 5.1 per cent government bond due in June 1996 declined from 5.250 per cent on Tuesday to 5.210 per cent, with No-mura Securities placing a large buy order for the issue.

Leading securities houses have large inventories of bonds with low coupons of below 6 per cent. Analysts said market participants were focusing on when institutional investors, who are now seeking higher-coupon bonds, would begin to buy low-coupon bonds.

## **SOUTH AFRICA**

GOLD shares fell from the heights reached during the recent surge in bullion prices, with provisional figures putting the all-gold index down 39 at 2,027 from Tuesday's record high.

Vaal Reefs tumbled R5 to R400, South Vaal lost R2 to R203.50 and Kloof was off R1 at R36.50.

Diamond share De Beers, however, continued its gains, rising 40 cents to

# Wary eye on currencies and rates

INTEREST RATE MOVEMENTS and currency concerns returned to the forefront of the European bourses yesterday as the French franc remained fixed at the floor of its EMS trading level.

Paris suffered a mild dose of profittaking from the strong gains experienced on Monday and Tuesday. Most investors kept a wary eye on the movement of franc and D-Mark exchange rates. Reassurances by Mr Jacques Chirac, Prime Minister, and Mr Edouard Balladur, Economics Minister, that the French currency would not be devalued provided a modicum of support to sentiment, brokers said.

Bank, food, construction and oil issues advanced while car, retail and electrical stocks edged lower

Valeo fell FFr 14 to FFr 520 on reports that it was selling its 8 per cent stake in Lambert Frères, a construction materi-

als producer Peugeot slipped FFr 4 to FFr 1,220 amid group chairman Jacques Calvet's fore-

casts of a 30 per cent gain in 1986 profits.
Brussels retreated in light trading following the half percentage point rise in the key discount rate to 8.5 per cent by the Banque Nationale de Belgique. Utilities were the first to suffer with Unerg off BFr 50 to BFr 2,800 and Intercomdown BFr 35 to BFr 3,835.

Market bellwether Petrofina failed to carry through the gains of the previous session and slipped back BFr 140 to BFr 9,360 on renewed fears that its US unit would face large fines over alleged viola-tions of oil price regulations. Shell Oil was fined \$180m yesterday by the US Department of Energy for pricing irreg-

Zurich was pulled back from its recent peaks by steady institutional profit-taking. News that the four main banks were cutting their time deposit rates by 1/4 point to 3% per cent effective today. failed to bolster sentiment. The new rate applies to all maturities from three to 12

Swissair managed to move against the trend with a SFr 30 rise to SFr 1,280. Foods were actively sold with Jacobs Suchard down SFr 100 to SFr 9,025 while Nestlé, which is buying US opthalmic interest, lost SFr 75 to SFr 9,875 after touching a low of SFr 9,800.

Bond prices firmed in lively reaction to the weak dollar and EMS tensions. Frankfurt closed at its day's low in lacklustre trading that displayed little reaction to recent peaks in the US and Japan Caution ahead of this month's general election was cited as a possible cause for the low level of activity.

Revised forecasts of economic expansion by the Berlin DIW institute added to the broad uncertainty. The institute has scaled back to 1.5 per cent its earlier

estimate of 2.5 per cent expansion. Deutsche Bank dropped DM 8 to DM 813 and Commerzbank lost DM 6 to DM 309. BMW slipped DM 2 to DM 572 despite its 36 per cent gain in December US sales to 10,400 cars.

Bonds were nervous in response to early Bundesbank intervention for the dollar. Longs lost up to 25 basis points. The central bank bought DM 44.8m of paper compared with purchases of DM

21.4m on Tuesday.

Madrid reached a fresh peak while Milan turned mixed in late trading. Amsterdam turned nervously lower, Stockholm was down sharply and Osio was subjected to profit-taking.

## **AUSTRALIA**

STRONG trading in resource and industrial stocks extended the peak in Sydney share prices, taking the All-Ordinaries index to its seventh consecutive record with a rise of 10.9 to 1,534.0.

BHP briefly touched A\$9.40 on speculation of a takeover bid but still closed at another 12-month record, up 8 cents to

Media stocks were active, with heavy trading by News Corporation's brokers taking Advertising Newspapers up 5 cents to A\$3.55. The Herald and Weekly Times, facing a formal News Corp bid. edged to a 12-month high of A\$13.70, while Queensland Press, under a bid from John Fairfax, climbed 20 cents to

## SINGAPORE

CONTINUED buying interest and short-covering pushed Singapore higher in moderate trading. The Straits Times industrial index closed up 3.18 at 893.25 with the Stock Exchange all-share index up 0.36 to 270.78.

Volume surged to 51m shares from 12.9m on Tuesday, largely inflated by a block deal involving 32m Sealion Hotel shares at 71 cents. Sealion closed up 6% cents at 80 cents.

## LONDON

A SPATE of foreign and British institutional buying drove the London stock market ahead strongly yesterday and took the FT-SE 100 index to a new peak.

The buying, which caught some marketmakers off guard, was helped by this week's records in Tokyo and New York. The market rose from the start and gave a final flourish on news of Wall Street's early advance.

Prices closed at the day's highs, with the FT-SE 100 index up 31.5 at 1,722.2. Its previous record was 1,717.6, reached last April. The FT Ordinary index gained 18.7 to 1,353.0.

Glaxo was the outstanding feature, jumping 6% to a record of 611% on 6.5m shares traded, as it benefited from US funds which followed the lead taken by European and Japanese buyers a month

ago.
Other major advances included ICI up £% to £11 %, Fisons, 28p higher at 561p and BAT industries, up 21p at 483p. Government bond prices were little changed after foreign investors failed to materialise at the tender for £1bn Treasury stock dated 1994 and the stock was undersubscribed.

Chief price changes, Page 31; Details, Page 30; Share Information Service, Pages 28–29.

## **HONG KONG**

THE RECORD-BREAKING trend continued in Hong Kong as strong demand from local and foreign investors pushed the Hang Seng index through the 2,600 level for the first time.

compared with HK\$1.17bn on Tuesday, the index closed 23.24 higher at 2,607.11 for a two-day rise of 54.7.

The session saw limited profit-taking by small investors but the mood was mainly bullish.

In heavy turnover worth HK\$1.42bn

Banks were especially in demand, with Hongkong Bank up 25 cents to HK\$9.55, Hang Seng gaining 50 cents to HK\$43 and Bank of East Asia adding 10 cents to HK\$24.00.

## CANADA

OPTIMISM about US economic growth and consequent Canadian exports helped to take share prices in Toronto to record highs from the start. An improved outlook for resource industries added to

Industrials dominated activity, led by Canadian Pacific up C\$% at C\$19%. Montreal also saw most sectors gaining, although utilities were unchanged.

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